87-482

NO. _____

Supreme Court, U.S.
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IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1987

EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS OF LOUISIANA, INC.,
Petitioner

versus

PLAYBOY ENTERPRISES, INC., ET AL.,
Respondents

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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EDITOR'S NOTE

THE FOLLOWING PAGES WERE POOR HARD COPY AT THE TIME OF FILMING. IF AND WHEN A BETTER COPY CAN BE OBTAINED, A NEW FICHE WILL BE ISSUED.

QUESTIONS PRESENTED FOR REVIEW

I. Whether Easter Seal is the owner of the copyright in the videotapes which WYES copied and sent to the Canadian producers of "Candy The Stripper."

II. Whether the jurisprudence which treats independent contractors as employees for purposes of the works for hire doctrine was legislatively overruled by the enactment of the Copyright Revision Act of 1976.

III. Whether, as a matter of public policy, the duty to expressly reserve ownership of copyright should be imposed upon production companies rather than their clients.

LIST OF ALL PARTIES

1. Easter Seal Society for Crippled Children and Adults of Louisiana, Inc.-Petitioner
2. Television Foundation, Inc.-Respondent
3. Playboy Enterprises, Inc.-Respondent
4. Playboy Productions, Inc.-Respondent
5. Playboy Programs, Inc.-Respondent
6. Playboy Cable Network, Inc.-Respondent
7. Rainbow Programming Services-Respondent
8. RSL Films, Ltd.-Respondent
9. Cox Cable New Orleans, Inc.-Respondent
10. Cox Cable of Louisiana, Inc.-Respondent
11. PKO Television, Inc.-Respondent
12. 120752 Canada, Inc.-Respondent
13. Tele-Metropole International, Inc.-Respondent

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OFFICIAL AND UNOFFICIAL REPORTS OF OPINIONS

The decision of the United States Court of Appeals, Fifth Circuit, in this case has been reported in 815 F.2d 323 (5th Cir. 1987), and in 3 Copyright Law Journal, no. 9, at 101 (May-June 1987).

STATEMENT OF JURISDICTION

Review of the decision of the United States Court of Appeals, Fifth Circuit, of April 23, 1987, is sought herein.

Rehearing was denied on June 1, 1987, per curiam.

Jurisdiction of this Court is invoked pursuant to Title 28, U.S. Code §1254(1).

STATUTES IN ISSUE

17 U.S.C.A. §101 (West 1985):

A "work made for hire" is

(1) A work prepared by an employee within the scope of his or her employment; or

(2) A work specially ordered or commissioned for use as a contribution to a collective work, as part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

17 U.S.C.A. §201(b) (West 1985):

In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

STATEMENT OF THE CASE

A. Course of Proceedings and Disposition in Court Below.

This action for copyright infringement was filed by Easter Seal Society for Crippled Children and Adults of Louisiana, Inc. ("Easter Seal") in the United States District Court for the Eastern District of Louisiana on August 3, 1983. The District Court had original jurisdiction over this action as a civil action arising under a law of the United States, pursuant to Title 28, U.S. Code §1331, specifically, Title 17, U.S. Code. After conducting extensive discovery, Easter Seal moved for summary judgment against Playboy Enterprises, Inc. ("Playboy"), Tele-Metropole International, Inc. ("Tele-Metropole"), 120752 Canada, Inc. ("120752"), RSL Films, Ltd. ("RSL"), Robert Lantos ("Lantos"), Stephen J. Roth ("Roth"), PKO Television, Inc. ("PKO"), Rainbow Programming Services ("Rainbow"), Cox Cable New Orleans, Inc. ("Cox-N.O."), Cox Cable of Jefferson, Inc. ("Cox-LA") and Greater New Orleans Educational Television Foundation, Inc. ("WYES"). A

cross-motion for summary judgment was filed by WYES.

The summary judgment motions were decided without oral argument, and on October 23, 1985 the United States District Court for the Eastern District of Louisiana, The Honorable Veronica D. Wicker presiding, entered its Order denying Easter Seal's Motion for Summary Judgment and granting the Cross-motion of WYES. Easter Seal moved for reconsideration of the Order, which motion was heard on November 6, 1985.

On November 25, 1985, a final judgment was entered in favor of the defendants, dismissing Easter Seal's claims with prejudice.

The dismissal of Easter Seal's claims against Playboy and the other defendants was based upon the District Court's holding that Easter Seal was not the author and the owner of the copyright in a television program depicting a Mardi Gras-style parade and Dixieland jam session which Easter Seal had hired WYES to record on videotape.

On November 26, 1985, Easter Seal filed its Notice of Appeal to the United States Court of Appeals for the Fifth Circuit from the judgment of November 25, 1985.

On April 23, 1987, the United States Court of Appeals for the Fifth Circuit rend d its opinion affirming the judgment of the District Court. Rehearing was denied per curiam on June 1, 1987.

B. Statement of Facts

On March 15, 1982, New Orleans musician and entertainer Ronnie Kole, acting on behalf of Easter Seal, contracted with public television station WYES for the videotape recording of a Mardi Gras-style parade and Dixieland jam session, which was to be shown in connection with the National Easter Seal Telethon on March 28, 1982. The parade and Dixieland jam session were duly staged by Easter Seal volunteers and recorded on videotape by WYES on March 17, 1982. Prior to and during the videotaping, Kole worked closely with WYES director, John Beyer, to inform him where Kole wanted cameras placed and

what particular shots were to be included in the completed work. (See deposition testimony, infra, at 36-42.) The videotape was edited and post-produced by Ronnie Kole, John Beyer and WYES engineers on March 17, 1982.

On March 19 the final edited master of the videotape was personally delivered to the National Easter Seal Society by Ronnie Kole. The videotape was telecast on March 28, 1982, during the National Easter Seal Telethon.

Approximately a year later, in March of 1983, Julius Cain, Director of Broadcasting for WYES, received a telephone call from John Thomson, a Canadian TV producer, who requested that WYES provide him with file footage of a Mardi Gras parade. Cain acceded to Thomson's request and sent him a copy of unedited footage from Easter Seal's videotape on March 22, 1983.

Subsequently, portions of the unedited footage were incorporated into a pornographic made-for-cable movie entitled "Candy The Stripper," by

Thomson, Tele-Metropole, 120752, Lantos and Roth, RSL and PKO, who were the producers of the movie.

PKO was the completion guarantor, i.e., budget watchdog, for the movie.

"Candy The Stripper" was distributed by Playboy through Rainbow. Twice on April [illegible] and twice on May 1, 1983, "Candy The Stripper" was transmitted by Rainbow to cable television systems all over the United States. The cable systems simultaneously retransmitted it to subscribers to "The Playboy Channel," including subscribers in the Parishes of Orleans and Jefferson served by Cox-N.O. and Cox-LA (sometimes referred to collectively herein as "Cox Cable.")

On May 16, 1983, Easter Seal filed its application for registration of copyright in the edited master tape ("the Master"), and received Certificate of Registration No. PAu 499-401.

On August 3, 1983, Easter Seal filed this action for copyright infringement.

On September 11, 1984, Easter Seal registered its

copyright in the unedited field tapes ("the Field Tapes"), and received Certificate of Copyright Registration No. PAu 665-032.

ARGUMENT

I.

THE DECISION OF THE U.S. COURT OF APPEALS, FIFTH CIRCUIT, INTERPRETING THE "WORKS MADE FOR HIRE" PROVISIONS OF THE COPYRIGHT REVISION ACT OF 1976 IS DIRECTLY IN CONFLICT WITH DECISIONS OF THE U.S. COURTS OF APPEALS FOR THE SECOND AND SEVENTH CIRCUITS

This case presents a question of interpretation of two provisions of the Copyright Revision Act of 1976 ("1976 Act," herein), specifically, § 201(b), entitled "Works Made for Hire," and the definition of "work made for hire" in § 101. § 201(b) provides:

> In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

17 U.S.C.A. § 201(b) (West 1985).

A "work made for hire" is defined in § 101, in pertinent part, as:

(1) A work prepared by an employee within the scope of his or her employment; or

(2) A work specially ordered or commissioned for use as a contribution to a collective work, as

> part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

17 U.S.C.A. § 101 (West 1985).

Petitioner Easter Seal claims ownership of the copyright in the subject videotape under the first category of works made for hire, i.e., as a work prepared by an employee within the scope of his or her employment. Jurisprudence under both the 1909 Copyright Act and the 1976 Act holds that the "works made for hire" doctrine is applicable where the relationship between the parties is that of employer and independent contractor. Murray vs. Gelderman, 566 F.2d 1307, 1311, n.7 (5th Cir. 1978); Brattleboro Publishing Co. vs. Winmill Publishing Corp., 369 F.2d 565, 568 (2nd Cir. 1966); Lin-Brook Builders Hardware vs. Gertler, 352 F.2d 298, 300 (9th Cir. 1965); Picture Music, Inc. vs. Bourne, Inc., 457 F.2d 1213, 1216 (2nd Cir. 1972), cert. denied, 409 U.S. 997 (1972). These cases hold that an independent

contractor is considered an "employee" for purposes of determining who is the author and owner of the rights comprised in the copyright.

In its April 23, 1987, decision, the Fifth Circuit rejected the principle that a work prepared by an independent contractor could be a "work made for hire" under the first sub-section of the definition contained in § 101, holding:

> . . . that a work is "made for hire" within the meaning of the Copyright Act of 1976 if and only if the seller is an employee within the meaning of agency law, or the buyer and seller comply with the requirements of § 101(2).

Decision at 334-335.

The Court described its interpretation as " . . . a radical break from 'work for hire' doctrine under the 1909 Act, . . . " Decision at 335.

The Fifth Circuit's interpretation of the 1976 Act also represents a radical break from "work for hire" doctrine as interpreted by the U.S. Court of Appeal for the Second Circuit (which the Fifth Circuit referred to as "the de facto Copyright Court of the

United States"[1]) in Aldon Accessories, Ltd. vs. Speigel, Inc., 738 F.2d 548 (2nd Cir. 1984), and the Seventh Circuit in Evans Newton, Inc. vs. Chicago Systems Software, 793 F.2d 889 (7th Cir. 1986).

At issue in Aldon was the propriety of the trial judge's charge to the jury on the "work for hire" provisions of the 1976 Act, in the following terms:

> A work for hire is a work prepared by what the law calls an employee working within the scope of his employment. What that means is, a person acting under the direction and supervision of the hiring author, at the author's instance and expense. It does not matter whether the for-hire creator is an employee in the sense of having a regular job with the hiring author. What matters is whether the hiring author caused the work to be made and exercised the right to direct and supervise the creation.

738 F.2d at 551.

The Second Circuit closely scrutinized the 1976 Act and its legislative history and concluded that Congress did not intend to change the prior law:

---

[1] Decision at 325.

Under the 1909 Act and decisions construing it, if an employer supervised and directed the work, an employer-employee relationship could be found even though the employee was not a regular or formal employee. See Epoch Producing Corp. v. Killiam Shows, Inc., 522 F.2d 737, 744 (2nd Cir. 1975), cert. denied, 424 U.S. 955, 96 S.Ct. 1429, 47 L.Ed.2d 360 (1976); Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213, 1216-17 (2d Cir.), cert. denied, 409 U.S. 997, 93 S.Ct. 320, 34 L.Ed.2d 262 (1972); Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., 375 F.2d 639, 643 (2nd Cir. 1967), cert. denied, 389 U.S. 1036, 88 S.Ct. 768, 19 L.Ed.2d 823 (1968). Nothing in the 1976 Act or its legislative history indicates that Congress intended to dispense with this prior law applying the concepts of "employee" and "scope of employment." See Aitken, Hazen, Hoffman, Miller, P.C. v. Empire Construction Co., 542 F.Supp 252, 257-58 (D.Neb. 1982). The new Act does not define these key terms, thus suggesting that it is necessary to look at the general law of agency as applied by prior copyright cases in applying subdivision (1) under the new Act. 1 M. Nimmer, Nimmer on Copyright § 5.03 [B] [1] at 5-12 to 5-13 (1983). Indeed, the legislative history states that the new Act "adopts one of the basic principles of the present law: that in the case of works made for hire the employer is considered the author of the work." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 121, reprinted in 1976 U.S. Code Cong. & Ad.News 5659, 5736. Had Congress intended, as apparently argued by Spiegel, to narrow the type of employment relationships within the work for hire doctrine to include only "regular" employees, it is unlikely that there would have been no discussion of this change in the legislative

history.

738 F.2d at 552.

In Evans Newton, the Seventh Circuit was presented with the identical issue, i.e., whether an independent contractor was an employee of the contracting party so as to render a user's manual for a microcomputer program a "work made for hire." The Seventh Circuit expressly adopted the analysis of the Second Circuit in Aldon, stating:

> Whether CSS was an employee of ENI for purposes of 17 U.S.C. § 101 turns upon whether Congress intended the term employee to encompass only "regular" employees as CSS contends, or whether Congress intended the 1976 Act to retain the somewhat more flexible definition of employee under the 1909 Copyright Act.
>
> The Second Circuit faced this same issue recently in Aldon Accessories v. Spiegel, 738 F.2d 548 (2d Cir.), cert denied, 469 U.S. 982, 105 S.Ct. 387, 83 L.Ed.2d 321 (1984). In Aldon, the court held that statuettes designed by artists and artisans who were not regular employees of the copyright holder could fall within the "work made for hire" doctrine where the contractors operated under the supervision and direction of the copyright holder. Id. at 551-53. The court found that the proper issue was not, as CSS maintains, whether the defendant was an employee or an independent contractor, but rather "[was] the contractor 'independent' or [was] the

> contractor so controlled and supervised in the creation of the particular work by the employing party that an employer-employee relationship exist[ed]." Id. at 552. In reaching this conclusion, the Aldon court carefully considered the legislative history of 17 U.S.C. § 101 and determined that Congress did not intend to significantly narrow the definition of "employee" as CSS here contends. The court concluded that nothing in the 1976 Copyright Act or its legislative history indicated "that Congress intended to dispense with ... prior law [the 1909 Copyright Act and cases construing it]" which held that "if an employer supervised and directed the work, an employer-employee relationship could be found even though the employee was not a regular or formal employee." Id. We find the Second Circuit's analysis and conclusion compelling.

793 F.2d at 894.

Accordingly, the interpretation by the Fifth Circuit of the definition of "work made for hire" which is contained in § 101 of the 1976 Act is diametrically opposed to the interpretation of the statute by the Second and Seventh Circuits, creating uncertainty in the law.

II.

THE FIFTH CIRCUIT'S INTERPRETATION OF "WORKS MADE FOR HIRE" EVISCERATES COPYRIGHT PROTECTION

As noted above, 17 U.S.C. § 201(b), entitled

"Works Made for Hire," states:

> In the case of a work made for hire, the employer **or other person for whom the work was prepared** is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

Unable to reconcile the highlighted language, "or other person for whom the work was prepared," with its interpretation of the definition of "works made for hire," the Fifth Circuit simply read the language out of the 1976 Act. The Court casually dismissed this portion of § 201(b), stating, "Only the 'other person for whom the work was prepared' clause of § 201(b) remains somewhat mysterious under our view." Decision at 335.

The failure of the Court to resolve the mystery has created an anomaly whereby a contracting party such as Easter Seal, who contracts with and pays a production company to videotape an event for the contracting party's specific use (here, the National Easter Seal Telethon), may not use the videotape for which it has contracted and paid without infringing

the production company's copyright.

The decision of the Fifth Circuit has caused one commentator to warn practitioners to specify copyright ownership in a written agreement in all situations involving independent contractors, and to provide for an assignment of copyright or an exclusive license wherever the work does not fall within one of the enumerated categories in the second sub-paragraph of the definition of "works made for hire."

Such a holding does violence to the policy of the 1976 Act, to protect original works of authorship, as expressed in 17 U.S.C. § 102(a), by placing the burden of expressly reserving copyright ownership upon the less sophisticated party to the transaction. In the context of published advertising, the Second Circuit has recognized the inequity of such an allocation. In Brattleboro Publishing Co. vs. Winmill Publishing Co., 369 F.2d 565 (2nd Cir. 1966), the Chief Judge concurred in the holding that in the absence of an agreement between a newspaper publisher and an

advertiser, the advertiser is entitled to the copyright in the advertisement. The Chief Judge stated:

> Under these circumstances, it would be an inequitable interpretation of the copyright law to place the burden of inquiry upon advertisers to whom the need for such inquiry would not suggest itself. It is far more practical and equitable to place upon the newspaper publisher the burden of securing the consent of the advertiser that the copyright should be the property of the publisher....

369 F.2d at 569. The Judge noted that the great majority of local advertisers have little or no knowledge of copyright law.

Similar considerations require that the burden of expressly reserving copyright ownership should be placed upon production companies, who are relatively sophisticated in matters of copyright law, rather that upon relative novices who use their services, such as Easter Seal.

CONCLUSION

For the foregoing reasons, and based upon the authorities cited, it is respectfully submitted that the April 23, 1987 decision of the Fifth Circuit has

created a clear conflict among the circuits regarding the interpretation of the "works made for hire" provisions of the Copyright Revision Act of 1976. The decision has created confusion in the application of the law, and has eroded copyright protection by reading express language of the statute out of the 1976 Act, by improperly allocating to the less sophisticated party the burden of expressly reserving copyright ownership, and by perpetuating the anomalous situation whereby the party at whose instance and expense a work is created by an independent contractor is not the owner of the copyright. Accordingly, the petition of Easter Seal Society for Crippled Children and Adults of

Louisiana, Inc. for certiorari should be granted.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the above and foregoing Petition for Certiorari has been served upon all parties, through their respective counsel of record, as shown hereinbelow, via U.S. Mail, postage prepaid and properly addressed, this 21st day of September, 1987:

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PKO Television, Inc.
120752 Canada, Inc.
Tele-Metropole International, Inc.

JAMES J. POPHAM

APPENDIX

APPENDIX

EASTER SEAL SOCIETY FOR
CRIPPLED CHILDREN AND ADULTS
OF LOUISIANA, INC.
Plaintiff-Appellant

v.

PLAYBOY ENTERPRISES, et al.
Defendants-Appellees

No. 85-3741

UNITED STATES COURT OF APPEALS
FIFTH CIRCUIT

April 23, 1987.

Appeal from the United States
District Court for the Eastern
District of Louisiana

Before GEE, POLITZ, and WILLIAMS, Circuit Judges.

GEE, Circuit Judge:

This case presents a new issue for our Court: What effect, if any, did the Copyright Act of 1976 have on the "work for hire" doctrine developed under the 1909 Act? We hold that 1976 Act has greatly restricted the scope of the "work for hire" doctrine, and we affirm the decision of the district court.

A. Facts and Prior Proceedings

Entertainer Ronnie Kole, acting on behalf of the Easter Seal Society, contracted with the New Orleans public television station WYES for the videotaping of a staged "Mardi Gras-style" parade and a "Dixieland" musical jam session. WYES charged less than market rates as an indirect charitable contribution to the Society. The videotape was to be edited into a 16 minute segment for the National Easter Seal Telethon. There was no mention of copyrights.

On the day of production, Kole gave a number of layman's suggestions to WYES unit director John Beyer such as camera locations and particular scenes to look for during the fake "Mardi Gras" parade. Kole was "master of ceremonies" at the subsequent jam session performed by Kole and several well-known jazz musicians for the video crew. Kole told Beyer in advance about musical arrangements-the sequence and length of solos, for example-so that Beyer, who of course was taping in real time, could position his camera operators and tape appropriate

shots of each band member. Kole also made suggestions about certain camera angles, but it is unclear to what extent Beyer followed them. Kole had no voice in deciding technical questions such as lighting, color balance, sound recording, and the like. Beyer fully supervised all unit employees, making the final aesthetic and technical decisions about the deployment of six video cameras and sound equipment. The taping proceeded smoothly in an atmosphere of exuberant music and amiable collaboration.

Beyer and his staff post-produced the final short segment (the "master" tape) from the raw video footage (the "field" tape), and it aired nationally in March 1982. WYES did not keep a copy of the master, but kept the field tape on file, using portions of it subsequently in several WYES-produced shows including a "Dixieland Jazz" series broadcast locally and distributed nationally.

Some time later, WYES director of broadcasting Julius Cain received a request from John Thomson,

a Canadian television producer and acquaintance, for Mardi Gras parade footage. With no inkling of the intended use, Cain sent forty minutes of tape copied from the field tapes. Thomson or his associates used portions of the field tape in an "adult" film entitled "Candy, the Stripper." "Candy" was created, produced, and distributed by various entities including named defendant Playboy, Inc.[1] It was shown nationally on cable television a total of four times during two days in May 1983. One or more viewers in the New Orleans area recognized themselves in the field footage now part of "Candy."[2] Counsel for the Society then demanded by letter that various defendants stop broadcasting "Candy" or an injunction would be sought "against the continued invasion of our clients' privacy as well as the continued breach of copyright." The contested footage was removed from "Candy" and no further copyright violations are alleged.

The Society sued in August 1983, alleging copyright infringement. After discovery, the parties

submitted the issue to the district court on cross-motions for summary judgment. Both sides agreed that the relevant evidence was fully explored in the depositions of Kole and Beyer.

The district court granted partial summary judgment for the defendants, ruling that only the field tapes were involved in the alleged infringement. The court determined that Beyer was not an "employee" of the Society within the meaning of the "work for hire" doctrine of the Copyright Act of 1976, and that WYES held the copyright in the field tapes under the same doctrine. The Society appeals.

B. "Work for Hire" under the 1909 Act

The Copyright Act of 1909 made an employer the "author" and initial copyright holder of "works made for hire." See 17 U.S.C.§ 26 (1976). "Works made for hire" was undefined in the statute. Accordingly, a substantial body of cases developed as courts worked out the definition backwards in the usual manner of the common law. The obvious question implicit in the statute was whether independent contractors

could be statutory "employees." That question remained unanswered for a surprisingly long time.

In the Second Circuit-the de facto Copyright Court of the United States-there was an early line of cases dealing with commissioned works by photographers.[3] The court developed a presumption that the parties intended the buyer to hold the copyrights in the photographs. In Yardley v. Houghton Mifflin Co., 108 F.2d 28 (2d Cir. 1939), cert. denied, 309 U.S. 686, 60 S.Ct. 891, 84 L.Ed. 1029 (1940), the court applied this presumption to a commissioned mural painted on a building. It stated the prior rule at a new level of generality:

> If [an artist] is solicited by a patron to execute a commission for pay, the presumption should be indulged that the patron desires to control the publication of copies and that the artist consents that he may, unless by the terms of the contract, express or implicit, the artist has reserved the copyright to himself.

108 F.2d at 31. These early cases presumed that the copyrights were assigned to the patron under the commission contract; there was nothing in them about "work for hire."[4] Yardley itself was

inconsistent with the "works made for hire" clause of § 26. Under the 1909 Act, authors had rights different from assignees, including the right to renewal. If the Yardley court had deemed the mural a work "made for hire," the statutory employer (the patron) rather than the statutory employee (the artist) would have held the renewal rights as the statutory "author." Instead, the court explicitly assumed that the artist's executor rather than the patron had the right to renew the copyright in the mural. Yardley, 108 F.2d at 32. As late as 1955, the "presumed assignment" rule of Yardley was distinct from a more radical "presumption" that the commissioning party was the surrogate author under the "works made for hire" language of § 26. See Shapiro, Bernstein & Co. v. Jerry Vogel Music Co., 221 F.2d 569, 570 (2d Cir. 1955).

In Brattleboro Publishing Co. v. Winmill Publishing Corp., 369 F.2d 565 (2d Cir. 1966), the Second Circuit explicitly merged the Yardley rule into the "work for hire" doctrine for the first time.[5]

Plaintiff newspaper sued defendant newspaper for using advertising copy that the plaintiff had prepared for merchants who later advertised in defendant's paper. The court recited a number of employer/employee cases and summarized them as creating the rule that the employer is the "author" "whenever an employee's work is produced at the instance and expense of his employer." Brattleboro, 369 F.2d at 567. Then came the critical twist: "We see no sound reason why these same principles are not applicable when the parties bear the relationship of employer and independent contractor." Id. at 568 (citing Yardley). The court held that there was no infringement because the merchants who paid for the ads were the "authors" under the "work for hire" doctrine. However, the court also discussed the unfairness to the newpaper's advertising customers of the contrary result, and Chief Judge Lumbard concurred solely on the ground that "probable intent" of the parties to a newspaper advertising contract was enough to sustain the judgment. Id. at 569.

Thus, the relationship of the Yardley rule to the holding in Brattleboro was sufficiently ambiguous that the expansive language of the case could have been limited to its special facts.

But Brattleboro was not so limited. In Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213 (2d Cir.), cert. denied, 409 U.S. 997, 93 S.Ct. 320, 34 L.Ed.2d 262 (1972), the Second Circuit confronted a copyright claim by the assignee of a paradigmatic independent contractor.[6] The court affirmed the broad language of Brattleboro and the use of Yardley as a "work for hire" case.[7] Although there where was little doubt after Picture Music that the "presumption" of Yardley had been adopted without limitation in "work for hire" doctrine so that whoever commissioned a work was presumed the statutory "author," the Second Circuit soon dispelled all doubt by announcing a pure "instance and expense" test for "works made for hire" in a case involving an independent contractor:

> [The "work for hire"] doctrine is applicable . . . when the employee's work is produced at the

> instance and expense of the employer, or, in other words, when the "motivating factor in producing the work was the employer who induced the creation. . . ."

Siegel v. National Periodical Publications, Inc., 508 F.2d 909, 914 (2d Cir. 1974) (quoting Picture Music) (citations omitted).

The final chapter of the expansion of the "work for hire" doctrine under the regime of the 1909 Act was written in our Court. In Murray v. Gelderman, 566 F.2d 1307 (5th Cir. 1978), the author of a book written under contract argued that the book was not a "work made for hire." We responded with the now-familiar litany of the "instance and expense" test:

> The crucial element in this ["employment"] determination appears to be whether the work was created at the employer's insistence [sic] and expense, or in other words, whether the motivating factor in producing the work was the employer who induced its creation. Siegel. Another factor is whether the employer had the right to direct and supervise the manner in which the work was being performed. Picture Music. Actual exercise of that right is not controlling, and copyright is vested in the employer who has no intention of overseeing the detailed activity of any employee hired for the very purpose of producing the material. See Yardley.

566 F.2d at 1310 (emphasis in original; citations

omitted). The author contended, however, that the normal "right to control" rules did not apply in her case because she had specifically contracted for complete control over the work and that she would have refused to take the job if the putative employer had demanded a right to control her efforts. Accepting this as true, our Court was unpersuaded:

> Allowing [author] Murray to [succeed on this argument]. . . would permit an employee to circumvent the works for hire doctrine simply by demanding creative freedom as a condition of employment. We decline Murray's invitation to adopt such a rule, where, as here, an employer has no intention of supervising the work of an employee hired specifically to produce the certain material.

Id. at 1311.

Thus at time of the adoption of the 1976 Act, the simple rule of Yardley for allocating the risk of uncertainty about whether the copyrights were assigned to the buyer had developed into an almost irrebutable presumption that any person who paid another to create a copyrightable work was the statutory "author" under the "work for hire" doctrine. This presumption could not be avoided even by

showing that the buyer had no actual right to control the manner of the production of the work, because the buyer was thought to maintain the "right" to control simply by paying for the work and having the power to refuse to accept it. In other words, the class of persons who counted as "employees" under the copyright statute was far greater than the class of regular or formal employees, and well beyond the somewhat extended class of employees-known as "servants" - under agency law. See, e.g., Restatement (Second) of agency § 220(1) (1958) ("A servant is a person employed to perform services in the affairs of another and who with respect to the physical conduct in the performance of the services is subject to the other's control or right to control.") (emphasis added). Whenever one person bought authorship services from another, the seller was a copyright "employee" and the buyer was a statutory "author".

C. The 1976 Act and "Work for Hire": Three Interpretations

The Copyright Act of 1976 initially appears both

to adopt and to modify the "work for hire" doctrine. The "work for hire" doctrine is important because the identity of the author of a work matters for other purposes under the Act regardless of subsequent assisgnments or transfers of copyright interests by contract or succession. See 1 Nimmer & Nimmer, Nimmer on Copyright § 5.03[a], at 5-10 (1986). Section 201 of the Act makes the buyer the author and initial owner if the work was made for hire:

> (a) Initial ownership. - Copyright in a work protected under this title vests initially in author or authors of the work. The authors of a joint work are co-owners of copyright in the work.
>
> (b) Works made for Hire - In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

17 U.S.C. § 201(a) & (b). "Work made for hire" is defined in § 101:

> A "work made for hire" is -
>
> (1) a work prepared by an employee within the scope of his or her employment; or
>
> (2) a work specially ordered or commissioned for use as contribution to a collective work, as part of a motion picture or other audiovisual work, as

> a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire....

17 U.S.C. § 101(1), (2).[8]

The more we examine the statute and cases interpreting it, the more puzzled we become. The language of the statute is equivocal. It appears to draw a distinction between "employment" in § 101(1) and "commissioned" work in § 101(2). Does this mean that all independent contractors are covered, if at all, by § 101(2) and its nine narrow categories?[9] Is "employee" in § 101(1) to be construed as a formal employee, or as an "employee" under the expanded meaning of agency law, or is it to be given its all-embracing 1909 Act scope, swallowing up everything but the discrete activities specified in § 101(2)? There are two completely distinct interpretations of the statute and its interaction with the traditional doctrine based on this ambiguity.[10] Both find support from cases and commentators. Amazingly, both are unsatisfactory and one of our sister circuits

has invented a third as a working compromise.

A big part of the problem in both the statute and the cases is that the basic terms are ambiguous. "Employee," for example, can mean either a formal employee, i.e., a person on a payroll designated an "employee" by the parties to the hiring contract, it can mean an agency-law "employee," i.e., a "servant" subject to the employer's right to control the manner of performance, or a copyright "employee," i.e., a seller of services (whether a formal or agency employee or not) who loses his claim of authorship under "work for hire" analysis. "Employer" and "independent contractor" are ambiguous in correlative ways. Before going further, we adopt several terms that will help us keep important meanings distinct. A "buyer" is the putative legal employer claiming ownership under the "work for hire" doctrine. Similarly, a "seller" is the person against whom a buyer claims, whether an employee or an independent contractor.

1. The Literal Interpretation

One way to interpret the 1976 Act is to read §101 as a reflection of a simple dichotomy in fact between employees and independent contractors. In other words, a court should first determine-using agency law rules[11]-whether or not the seller is an employee or an independent contractor. Then, the court should apply the statute. Section 101(1) applies to sellers who are employees. If the work was in the scope of employment, an agency-law employee is a copyright employee, and the employer is the "author." Section 101(2) applies to independent contractors—"work[s] specially ordered or commissioned"—all works by independent contractorsare not works for hire unless the work comes within the nine narrow statutory categories and parties agree in a signed instrument. Section 101(2) is really statutory permission for certain kinds of independent contractors to give "authorship" to their buyers. The nine kinds of activities listed in §101(2) support this interpretation because they all involve situations where it would be very useful for

buyers to be able to become statutory "authors."

The "literal" interpretation is implicit in a number of cases. See, e.g., May v. Morganelli-Heumann & Associates, 618 F.2d 1363, 1368 n.4 (9th Cir. 1980); Whelan Associates v. Jaslow Dental Lab, 609 F.Supp. 1307, 1319 (D.C.Pa. 1985), aff'd on other grounds, 797 F.2d 1222 (3d Cir. 1986), cert. denied, —U.S.—, 107 S.Ct. 877, 93 L.Ed.2d 831 (1987); Everts v. Arkham House Publishers, Inc., 579 F.Supp. 145, 148 (W.D.Wis. 1984); Childers v. High Society Magazine, Inc., 557 F.Supp. 978, 984 (S.D.N.Y. 1983); BPI Systems, Inc. v. Leith, 532 F. Supp. 208, 210 (W.D.Tex. 1981); Mister B Textiles Inc. v. Woodcrest Fabrics, Inc., 523 F.Supp. 21, 24 (S.D.N.Y. 1981); Meltzer v. Zoller, 520 F.Supp. 847, 854-55 (D.N.J. 1981). This interpretation is somewhat bolstered by highly ambiguous language, which we set out in the margin, in the House Report to the bill that became the 1976 Act.[12]

Professor Nimmer seems to adopt this view, although his version is distorted by the notion that the statute

merely tracks a preexisting distinction in the cases.[13]

There are two problems with the "literal" interpretation. First, § 201(b) reads: "In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title . . ." (emphasis added). This language sounds exactly like an affirmation of the 1909 Act "work for hire" doctrine. It is too broad to be easily read as a reference to the narrow class of buyers who can be authors by compliance with the requirements of § 101(2). Second, if the literal interpretation is accurate, that means that Congress intended to radically revise "work for hire" doctrine. We have seen that buyers were almost always "authors" under the expansive "work for hire" doctrine of 1909 Act. Under the literal interpretation of the 1976 Act, independent contractors are always statutory "authors" unless they have written certain kinds of works and have signed away their authorship rights. Several courts

have refused to adopt this interpretation because Congress gave no clear expression of legislative intent to alter the "work for hire" doctrine so fundamentally. See, e.g., Aldon Accessories Ltd. v. Spiegel, Inc., 738 F.2d 548, 552 (2d Cir.), cert. denied, 469 U.S. 982, 105 S.Ct. 387, 83 L.Ed.2d 321 (1984). Still, as we discuss below, the advantages of this interpretation are great.

2. The Conservative Interpretation

A few courts have attributed little significance to the 1976 Act. Their analysis goes something like this: Under § 201(b) and § 101(1) we do a traditional "work for hire" analysis. It doesn't matter whether the seller is a formal employee or an independent contractor. If the work was undertaken at the instance and expense of the buyer, and if the buyer had the right to control the work, regardless of whether or not the right was exercised, then the seller was a (legal) employee within the meaning of §101(1). If the buyer wins under traditional analysis, then the court looks to see if the disputed work falls

within the nine categories in § 101(2). These categories are accorded special treatment, and the buyer will be the author only if he has complied with the requirement of a written agreement. In other words, § 101(2) carves out special protections from the expansive old doctrine for a narrow group of sellers. This is the only interpretaiton that fits comfortably with the "other person for whom the work was prepared" language in § 201(b). There are only a few "work for hire" cases under the 1976 Act that appear to adopt the "conservative" view of the statute, and the outcome in those cases does not necessarily turn on their use of this interpretation. See, e.g., Peregrine v. Lauren Corporation, 601 F.Supp. 828, 829 (D.Colo. 1985); Town of Clarkstown v. Reeder, 566 F.Supp. 137, 141-42 (S.D.N.Y. 1983).

The problem with the "conservative" interpretation is that we cannot avoid the impression that Congress meant somehow to tighten up the "work for hire" doctrine under the 1976 Act, although it failed to make clear where and how this tightening

is to take place. For example, this interpretation, unlike the "literal" one, makes the nine narrow categories in § 101(2) completely mysterious. Why does an author of "answer material for a test" get special protections from traditional expansive "work for hire" doctrine when a musician or a sculptor does not? The activities in § 101(2) look like the kind of activities where the buyer normally wants and needs to be a statutory author in order to gain complete initial ownership of a collaborative project. It would be anomalous to give these activities special protections beyond those accorded other types of commissioned works. We are convinced that Congress meant to alter the status of commissioned works, which means that it meant to alter the "work for hire" doctrine under the 1909 Act. The problem is figuring out the precise contours of the intended alteration.

3. The Aldon Accessories Compromise

The two interpretations that we have described are unsatisfactory for one reason or another. Thus, it

is not surprising that the courts have come up with another. This third view, first proposed in Aldon Accessories Ltd. v. Spiegel, Inc., 738 F.2d 548 (2d Cir.), cert. denied, 469 U.S. 982, 105 S.Ct. 387, 83 L.Ed.2d 321 (1984), is more an interpolation of the statute than an interpretation of it. But given the problems of the "literal" and conservative" approaches, the Second Circuit apparently thought that an interpolation might be the best way out of the "work for hire" conundrum.

Aldon Accessories Ltd. designed and marketed figurines and other decorative pieces. Arthur Ginsberg, a principal of Aldon Accessories, decided to produce a line of statuettes depicting mythological creatures, including a unicorn and a Pegasus. Id. at 549. He contacted Wado International Corp., a Japanese firm, to aid in the design and production of the statuettes. After some initial exchanges of descriptions and sketches, Ginsberg traveled to Japan to work with artists hired by Wado to develop his ideas into models. Over the course of three days,

Ginsberg and the artists produced drawings and a clay model. Ginsberg worked conjunctively with the artists throughout the process, giving minute-by-minute instructions and judging their product at each step in the process. For example, Ginsberg testified: "[T]he model was prepared in front of me, and we spent hours and hours changing shapes, adjusting attitudes and proportions until finally I thought there was a model that I liked." Id. at 550. Aldon Accessories eventually marketed porcelain and brass versions in different sizes, with slight variations in design. Spiegel, Inc., began selling similar brass figurines. Aldon Accessories sued for copyright infringement and won a jury verdict. On appeal, Spiegel's main argument was that because Aldon Accessories used independent contractors to create the figurines, it did not own the copyright under the new "work for hire" doctrine of the 1976 Act.

Chief Judge Feinberg of the Second Circuit said something like this:[14] Congress was unhappy with the broad sweep of the "work for hire" doctrine. On

the other hand, it did not mean to abolish completely the flexible approach of the doctrine, or to impose a mechanical test of formal employee versus formal independent contractor without regard to the realities of input and control. Therefore, we will read the statute as merely tightening up the old doctrine with respect to formal independent contractors. The theoretical right to control, present in most circumstances where one party is paying another, is no longer enough. We now require actual participation in and control of the creative process by the buyer. The person who simply commissions a work of art and takes delivery is no longer "presumed" to be the author, and § 101(2) applies. But if the buyer participates significantly in the creative process and exercises significant control over it, then the "work for hire" doctrine applies and the buyer is the author of that work, regardless of the fact that the seller was hired as a freelance. The class of "employees" under the 1976 Act is therefore far narrower than under the 1909 Act, although the

application of the "work for hire" doctrine in a given case depends on exactly how the work was produced. The court makes the test: "[I]s the contractor 'independent' or is the contractor so controlled and supervised in the creation of the particular work by the employing party that an employer-employee relationship exists. The latter is covered by [§101] subdivision (1)." Id. at 552-53 (emphasis added). In other words, the buyer must supervise and control the creation of the disputed work to be the statutory "author." On this ground the Aldon Accessories court upheld a much more ambiguous and doubtful jury instruction.[15]

A number of courts have adopted the reasoning of Aldon Accessories as the definitive interpretation of the new "work for hire" under the 1976 Act. See, e.g., Evans Newton Inc. v. Chicago Systems Software, 793 F.2d 889, 894 (7th Cir.), cert. denied, —U.S.—, 107 S.Ct. 434, 93 L.Ed.2d 383 (1986); Marshall v. Miles Laboratories, Inc., 647 F.Supp. 1326, 1331 (N.D.Ind. 1987); Sygma Photo News, Inc. v. Globe

International, Inc., 616 F.Supp. 1153 (S.D.N.Y. 1985); cf. Joseph J. Legat Architects v. United States, 625 F. Supp. 293, 298 (N.D.Ill. 1985) (buyer never has right to control "day-to-day" work of professional architect/formal independent contractor; therefore, architectural drawings not "works made for hire"); Aitken, Hazen, Hoffman, Miller v. Empire Construction Co., 542 F.Supp. 252 (D.Neb. 1981) (same). The district court in this case relied on Aldon Accessories in ruling that the field tapes were not made "for hire." Like all compromises, this interpretation of the 1976 Act has some attraction; but it is ultimately unsatisfying.

The "work for hire" issue in Aldon Accessories arose as a defensive tactic adopted by a third-party infringer to dispute the validity of the plaintiff's copyright. This posture makes the "literal" reading of the 1976 Act particularly unattractive, because it is the infringer and not the independent contractor who will benefit from a ruling that the work was not made "for hire." In other words, the Aldon

Accessories court may have been driven to create the narrow "actual control" exception to the general rule that independent contractors hold the copyright under the 1976 Act by the fact that on appeal the defendant more or less conceded infringement but tried to escape liability on "work for hire" grounds. What the court did not appear to bear in mind is that any buyer satisfying a seriously enforced "actual control" test will ordinarily be a co-author of the work, entitled to bring and win an action for infringement against a third party.

This was precisely the solution adopted in Mister B Textiles Inc. v. Woodcrest Fabrics, Inc., 523 F.Supp. 21, 24 (S.D.N.Y. 1981), by a district court faced with the "literal" interpretation of the 1976 Act. The plaintiff has hired a freelance designer to help create a new fabric design. When sued for infringing this design, the defendant argued that the plaintiff did not own the copyright because the design was created by an independent contractor. The court noted that "defendant's position appears to be

correct," 523 F.Supp. at 24, but held for the plaintiff anyway. The court reasoned that one of the plaintiff's regular employees had closely supervised the creation of the new design, that this employee was therefore a co-author, and that the plaintiff was therefore a statutory co-"author" under the "work for hire" doctrine. Mister B Textiles shows how the "actual control" rule of Aldon Accessories was unnecessary under the facts of that case.

There are other problems with the Aldon Accessories compromise. Because the "work for hire" status turns on the actual control by the buyer with respect to each work (as the Aldon Accessories court makes clear), the outcome can vary even between the same buyer and same seller in a series of works produced together. For example, if Mr. Ginsberg now calls Wado International and asks them to produce several additional statuettes for his line of mythological creatures based on their acquired knowledge of what he likes, but he does not directly supervise the production, Aldon Accessories would

lose a subsequent infringement suit against Spiegel. The rule of Aldon Accessories makes business arrangements exceedingly difficult. Rather than making a relatively simple judgment about whether the seller is an employer or an independent contractor, and relying on "work for hire" rules or arranging for copyright assignments accordingly, buyers and sellers will have to predict in advance whether the buyer's "actual control" over a given work will make it the "author." If they guess incorrectly, their reliance on "work for hire" or an assignment may give them a copyright interest that they did not bargain for.

Moreover, the Aldon Accessories test does not provide us with some kind of unified field theory of "work for hire" doctrine. Under Aldon Accessories, a court must still determine whether the seller was an employee or independent contractor because the test applies only to independent contractors. We think it safe to assume—because the contrary result would be almost unimaginable—that the Second Circuit would

not apply the "actual control" test to determine if an employer was the "author" of works produced by actual employees within the scope of their employment. In other words, if Mr. Ginsberg hired an artist as an employee of Aldon Accessories, he would not need to actually supervise the work of the artist in order for Aldon to own the copyright as the statutory "author." So Aldon Accessories only adds a level of complication to the underlying employee/independent contractor analysis required by the "literal" interpretation.

Finally, the "actual control" test, although taken quite seriously in Aldon Accessories itself, can gradually slide into a "right to control" test, just as in the old "work for hire" doctrine the "right to control" test from agency law gradually slid into an almost absolute (though frequently false) presumption that whoever paid for creation of the work had the "right" to control its production. This is not mere pessimistic speculation on our part; we see evidence

of this trend already in Evans Newton Inc. v. Chicago Systems Software, in which the Seventh Circuit adopted the rule of Aldon Accessories. Evans Newton Inc. ("ENI") had hired Chicago Systems Software ("CSS") to write a school recordkeeping program and accompanying manual according to ENI's flow charts and design specifications. The court was unable to recount any evidence that ENI "actually controlled" CSS's production of the computer program or manual, but it quoted the questionable jury instruction affirmed in Aldon Accessories[16] as an "accurate expression" of the law, and held without discussion that the district court's determination that a principal of ENI "supervised and directed the work" was not clearly erroneous.[17] Evans Newton, 793 F.2d at 894 & n. 5.

To summarize, then, there are four problems with the "actual control" test of Aldon Accessories: (1) the rule is unnecessary in cases where "work for hire" is raised by the defendant to question the validity of the plaintiff's copyright since any plaintiff who

actually controls an independent contractor will be a co-author of the work; (2) it makes the outcome of "work for hire" analysis too fact-specific and therefore less predictable by buyers and sellers; (3) it does not eliminate the need for a determination of employee versus independent contractor since the "actual control" test applies only to independent contractors; (4) it slides too easily into the vague and expansive "right to control" test, as the decision in Evans Newton may portend.

And on top of these problems there is one insurmountable problem with the Aldon Accessories rule; we have already alluded to it by calling this view an interpolation of the statute. There is simply no way to milk the "actual control" test of Aldon Accessories from the language of the statute. Even were the language of the statute to produce absurd results, we would depart from it with trepidation. As it happens, the simple reading of the statute does not lead to absurd results; on the contrary. Therefore, we reject the rule of Aldon Accesories.

4. Our Choice: The "Literal" Interpretaton

[1] We conclude that the "literal" interpretation is the best interpretation of the 1976 Act. We hold that a work is "made for hire" within the meaning of the Copyright Act of 1976 if and only if the seller is an employee within the meaning of agency law, or the buyer and seller comply with the requirements of § 101(2). We recognize that this interpretation is a radical break from "work for hire" doctrine under the 1909 Act, but there are good reasons for this break. The necessary and sufficient reason, of course, is that it is the best interpretation of the actual language of the "work for hire" definition in the 1976 Act. Recall that the statute appears to set up a simple dichotomy:

A "work made for hire" is—

(1) a work prepared by an employee within the scope of his or her employment; or

(2) a work specially ordered or commissioned. . . .

17 U.S.C. § 101(2). The words "employee" and "employment" are used in many legal contexts, but "scope of employment" is virtually a term of art in

agency law. Furthermore, the "specially order or commission" phrase is reminiscent of the "work for hire" cases applying the Yardley presumption to make copyright "employees" out of independent contractors. Only the "other person for whom the work was prepared" clause of § 201(b) remains somewhat mysterious under our view.

The "literal" interpretation of the 1976 Act has more in its favor. First, as we noted above, this interpretation makes sense out of the nine narrow categories in §101(2): they are statutory permission to allow certain kinds of independent contractors to sign away their authorship to their buyers. Second, this interpretation ties the meaning of "work for hire" to a well-developed doctrine in agency law. Although there is no general federal agency law and adopting state agency law would not give copyright law the requisite national uniformity, federal courts can turn to early copyright cases before the encroachment of the Yardley rule, and to the general

principles embodied in the Restatement of Agency Law,[18] in order to make considered decisions in "work for hire" adjudication. Third, this approach gives buyers and sellers the greatest predictability. In most situations it will not be difficult for a buyer or seller to determine whether the seller is an employee or an independent contractor, and to structure their contractual relations accordingly. Finally, adopting an agency-law definition of copyright "employment" creates a certain moral symmetry: a buyer is a statutory "author" if and only if he is responsible for the negligent acts of the seller. For example, a buyer will only be the "author" of a writing if he would be liable under respondeat superior in a defamation action based on that writing.

Courts must use common sense and consider the sort of factors set out in the Restatement to determine whether a given seller is an employee.[19] "Actual control" or the "right to control" are relevant, but alone they cannot make an otherwise independent contractor into an employee.

Conversely, the lack of actual control over the production of a given work—and perhaps even the right to control production[20]—will not make an independent contractor out of an employee. Moreover, there is no reason for the employee/independent contractor determination to be swayed by the well-established if unprincipled tendency of courts to rule that an independent contractor is an employee in order to reach a deep pocket in a tort action under the doctrine of respondeat superior. Assuming the proper legal standard is used, the question of employee/independent contractor status is a question of fact for the trier of fact, and on appeal we will defer to the appropriate extent.

The Easter Seal Society would probably lose on its claim that the field tapes were "works made for hire" under any view of the 1976 Act. Because it appears that the field tapes were commissioned as part of an audiovisual work within the meaning of § 101(2), even the "conservative" interpretation might not get them

to the promised land. Given our conclusion about the statute's meaning, the Society most certainly loses. The Society has never contended that WYES was not an independent contractor hired to create the disputed work. Perhaps anticipating this outcome, the Society shifts ground and raises one final argument which we now consider.

D. Co-Authorship and "Work for Hire"

The Easter Seal Society argues that this case is different from the usual "work for hire" case because the subject matter or content of the disputed videotapes was itself a work of authorship by the Society's (volunteer) employees that simply required fixation to be copyrightable. Put more concretely, the Society contends that the parade and the musical jam session were "original works of authorship" and that WYES merely provided the mechanical fixation of those works in a "tangible medium." See 17 U.S.C. § 102(a). In support of this theory, the Society recites cases that involve the copyrightability of broadcasted sporting events. See Baltimore Orioles

v. Major League Baseball Players Ass'n, 805 F.2d 663 (7th Cir. 1987); National Association of Broadcasters v. Copyright Royalty Tribunal, 675 F.2d 367 (D.C. Cir. 1982); National Football League v. Cousin Hugo's, Inc., 600 F.Supp. 84 (E.D.Mo. 1984). According to the Society, these cases establish that the sports clubs and not the broadcasters own the copyrights to sports performances. They argue that, by analogy, the copyrights in videotapes of a musical performance should belong to the musicians. WYES responds with a citation to Production Contractors, Inc. v. WGN Continental Broadcasting, 662 F.Supp. 1500 (N.D.Ill. 1985), which it claims stands for the proposition that parades and such are not copyrightable; it does not mention the copyrightability of the jam session.

The sports cases are not as broad as the Society might wish. They involve disputes over royalties and claims between sports clubs and third parties, not direct copyright disputes between sports clubs and broadcasters. In Baltimore Orioles, for example, the

court held that baseball clubs hold the copyright interest in their players' performances under the "work for hire" doctrine. That case does not hold that the clubs are "authors" of the broadcasts, although, as a practical matter, the bargaining position of a sports team will generally allow it to claim the broadcast copyrights by contract with the radio or television broadcaster. Similarly, National Association of Braodcasters was a review of the distribution of royalties by the Copyright Royalty Tribunal in which the court affirmed the Tribunal's decision that sports clubs should receive most of the royalties from sports broadcasts. The court explicitly recognized that the fixation by the broadcasters and their contributions of camera angles, editing, and commentary was enough to create an original work of authorship, but it held that these contributions did not alter the fact that the sports clubs contributed the key commercial elements of the broadcasts, and thus deserved most of the royalties.

[2] To the extent that the Society is claiming that WYES provided only mechanical fixation of the Society's production without the requisite originality and creativity for making a copyrightable work, we reject their contention out-of-hand. WYES did not simply set up one camera on a tripod, turn it on and sit down to watch. Instead, it worked cooperatively and dynamically with the performers to create the field tapes. This work was a work of authorship. The House Report on the 1976 Act speaks directly to this question in the context of a discussion of the fixation requirement for live broadcasts: "When a football game [for example] is being covered by four television cameras, with a director guiding the activities of the four cameramen and choosing which of their electronic images are sent out to the public and in what order, there is little doubt that what the cameramen and the director are doing constitutes 'authorship.'" H.R.Rep. No. 1476, 94th Cong., 2d Sess. 52, reprinted in 1976 U.S. Code Cong. & Ad. News 5659, 5665.

On the other hand, we agree with the Society that at least the musical performance by its volunteers—if not the staged parade—was a work of authorship that needed only fixation to be copyrightable. And in this case, the process of fixation also was sufficiently creative and original to be a work of authorship. Although the parties have refused to acknowledge it for their own reasons, its seems clear to us that at least the field tapes depicting the musical performances were interdependent joint works of authorship by the Society and WYES. Cf. Nimmer § 6.04-05 ("Thus a motion picture is a joint work consisting of a number of contributions by different 'authors.' [Footnote:] The contributing 'authors' include, in addition to the writer of the screenplay, the director, the photographer, the actors, and arguably, other contributors such as the set and costume designers, etc."). Thus, the proper question, which the parties have failed to address, is whether the "work for hire" doctrine alters the authorship of a joint work made by a hiring party and an independent

contractor. We see no reason why it should. Nor do we see reason to vacate the district court's probably incorrect ruling that WYES was the sole author and owner of the field tapes, because the Society has never argued that it was a co-author of the field tapes, and because even had it done so the use of the field tapes by co-author and co-owner WYES and the other defendants would not be an infringement of the Society's copyright interests.

E. Conclusion

[3] Today we adopt a bright-line rule for determining whether a work was made "for hire" under the 1976 Act. Only works by actual employees and independent contractors who fulfill the requirements of § 101(2) can be "for hire" under the new statute. Copyright "employees" are those persons called "employees" or "servants" for purposes of agency law. Because WYES was an independent contractor, the Easter Seal Society was not the statutory "author." Therefore, the use of the field tapes in "Candy, the Stripper" could not have

infringed on the Society's rights, and the judgment of the district court is AFFIRMED.

FOOTNOTES

[1] Thus, this most delightful of case names: Easter Seal Society for Crippled Children v. Playboy Enterprises; seriously rivaled, in our judgment, only by United States v. 11-1/4 Dozen Packages of Article Labeled in Part Mrs. Mouffat's Shoo Fly Powders for Drunkenness, 40 F.Supp. 208 (W.D.N.Y.1941) (condemnation proceeding under Food, Drug and Cosmetic Act), and United States ex rel. Mayo v. Satan and his Staff, 54 F.R.D. 282 (W.D.Pa.1971)(leave to proceed in forma pauperis denied in view of questions of personal jurisdiction over defendants).

[2] In response to a question from the bench at oral argument, counsel for the Society related that one parade participant claimed she was a new cable TV subscriber who unknowingly turning [sic] to the Playboy Channel for the first time and soon saw herself on-screen. She apparently watched long enough to form a dislike for the context of the unexpected publicity.

[3] Cory v. Physical Culture Hotel, 88 F.2d 411 (2d Cir. 1937); Lumiere v. Robertson-Cole Distributing Corp., 280 F. 550 (2d Cir.), cert. denied, 259 U.S. 583, 42 S.Ct. 586, 66 L.Ed. 1075 (1922); Lumiere v. Pathe Exchange, 275 F. 428 (2d Cir. 1921).

[4] Throughout this opinion, we use the phrase "work for hire" interchangeably with the more awkward statutory phrase "works made for hire."

[5] The Ninth Circuit had applied the rule of Yardley to an independent contractor the previous year without mentioning § 26 or explicitly invoking "works for hire" doctrine, but the language of the opinion can be read to mean the independent contractor worked "for hire" and the purchaser was the statutory "author." See Lin-Brook Builders Hardware v. Gertler, 352 F.2d 298, 300 (9th Cir. 1965) ("in the

absence of an express contractual reservation of the copyright in the artist, the presumption arises that the mutual intent of the parties is that the title to the copyright shall be in the person at whose instance and expense the work is done"; citing Yardley; emphasis added).

[6] The plaintiff was the assignee of a songwriter paid solely to assist in the adaptation of "Who's Afraid of the Big Bad Wolf?" from Walt Disney's "The Three Little Pigs." The songwriter "rearrang[ed] musical themes in collaboration with an employee of [Irving] Berlin[,Inc.], and arrang[ed] the existing lyrics and add[ed] new ones of her own," Picture Music, 457 F.2d at 1214, and was paid a share of the song's royalties.

[7] In response to the citation of an earlier case stating that the statutory employer must have the right "to direct and supervise the manner in which the writer performs his work," Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., 375 F.2d 639, 643 (2d Cir. 1967) (emphasis added), cert. denied, 389 U.S. 1036, 88 S.Ct. 768, 19 L.Ed.2d 823 (1968), the Picture Music court emphasized the theoretical right to direct and supervise inherent in any transaction where one person hires another:

> In short, the "motivating factors" in the composition of the new song . . . were [the putative employers] Disney and Berlin. They controlled the original song, they took the initiative in engaging [the independent contractor] Miss Ronell to adapt it, and they had the power to accept, reject, or modify her work.

Picture Music, 457 F.2d at 1217.

[8] There is one important and obvious change in the 1976 Act from prior "work for hire" doctrine: we are no longer merely to "presume" that the employer is the "author." Some cases under the 1909 Act allowed this "presumption" to be rebutted by evidence of contrary oral agreements or even by the parties'

course of dealing and the usage of trade. See e.g., May v. Morganelli-Heumann & Associates, 618 F.2d 1363, 1369 (9th Cir. 1980) (applying 1909 Act; reversing summary judgment to allow introduction of facts to rebut Yardley presumption). Under the 1976 Act, by contrast, the buyers successfully invoking the "work for hire" doctrine are "authors" by operation of law; otherwise, the sellers are the authors by operation of law. Only the buyers and sellers of works falling with §101(2)'s nine categories can decide who will be the statutory author; and then only by compliance with the statute of frauds clause. Some courts and commentators have missed this important change. See e.g., Marshall v. Miles Laboratories, Inc., 647 F.Supp. 1326, 1330 (N.D.Ind. 1986) ("There is a rebuttable presumption that the copyright of a work prepared within the scope of the employer-employee relationship is owned by the employer."); Boorstnyn, Copyright Law § 3:3, at 86 (1981) ("The current Act creates a presumption of ownership in favor of the commissioned party.").

9 [A] work specially ordered or commissioned for use (1) as a contribution to a collective work, (2) as part of a motion picture or other audiovisual work, (3) as a translation, (4) as a supplementary work, (5) as a compilation, (6) as an instructional text, (7) as a test, (8) as answer material for a test, or (9) as an atlas.... 17 U.S.C. § 101 (2) (numbering added).

10 The distinction we draw is similar to one proposed in O'Meara, "Works Made for Hire" Under the Copyright Act of 1976-Two Interpretations, 15 Creighton L.Rev. 523 (1982).

11 There is no reason to read the statute as creating a distinction between formal employees and formal independent contractors. It would be odd for Congress to use the term "employee" to mean "formal employee," when there is no relevant body of law that draws a line between "formal" employees and "formal" independent contractors. Moreover, in

the vast majority of employment situations formal employees are employees under agency law and vice versa.

12 Works Made for Hire

Section 201(b) of the bill adopts one of the basic principles of the present law: that in the case of works made for hire the employer is considered the author of the work, and is regarded as the initial owner of copyright unless there has been an agreement otherwise. The subsection also requires that any agreement under which the employee is to own rights be in writing and signed by the parties.

The work-made-for-hire provisions of this bill represent a carefully balanced compromise, and as such they do not incorporate the amendments proposed by screenwriters and composers for motion pictures. Their proposal was for the recognition of something similar to the "shop right" doctrine of patent law: with some exceptions, the employer would acquire the right to use the employee's work to the extent needed for purposes of his regular business, but the employee would retain all other rights as long as he refrained from the authorizing of competing uses. However, while this change might theoretically improve the bargaining position of screenwriters and others as a group, the practical benefits that individual authors would receive are highly conjectural. The presumption that initial ownership rights vest in the employer for hire is well established in American copyright law, and to exchange that for the uncertainties of the shop right doctrine would not only be of dubious value to employers and employees alike, but might reopen a number of other issues.

> The status of works prepared on special order or commission was a major issue in the development of the definition of "works made for hire" in section 101, which has undergone extensive revision during the legislative process. The basic problem is how to draw statutory line between those works written on special order or commission that should be considered as "works made for hire," and those that should not. The definition now provided by the bill represents a compromise which, in effect, spells out those specific categories of commissioned works that can be considered "works made for hire" under certain circumstances.

H.R.Rep. No. 1476, 94th Cong., 2d Sess. 121, reprinted in 1976 U.S. Code Cong. & Ad. News 5659, 5736-37.

[13] At first, Professor Nimmer's explanation of the new "work for hire" doctrine appears to be self-contradictory. On the one hand, he says that the 1976 Act does not change the expansive definition of "employment" developed under the 1909 Act, and that courts should look to cases decided under the 1909 Act to determine whether a seller is a statutory "employee." Nimmer at 5-12 (citing cases like Picture Music and Murray v. Gelderman). This sounds like the "conservative" view. Then a few pages later he says:

> Not every work prepared by an independent contractor on special order or commission is considered the equivalent of a work made for hire. Under the statutory definition [in § 101(2)] the "for hire" status is applicable only to works specially ordered or commissioned [within the nine categories]....

Nimmer at 5-18. This sounds like the "literal" view.

Professor Nimmer is able to make sense out of the distinction between "employees" in § 101(1) and independent contractors in § 101(2) because he thinks

this distinction existed in prior law. He views the "work for hire" copyright cases defining "employee" under the 1909 Act as merely a particular version of the general law of agency rather than an independent and uniquely expansive definition of "employee." Id. at 5-12. Moreover, in Nimmer's view there was a distinction in the case law under the 1909 Act between "employees"—defined as in agency law to include others besides formal employees—and independent contractors. Independent contractors (like the artist in Yardley) were only "presumed" to have assigned the copyrights in the work. Id. at 5-23 & n.68. According to Nimmer, these "independent contractor" cases all involved sellers who were beyond the statutory definition of "employee" and were treated distinctly. Id. at 5-21 & n.60 (citing Brattleboro Publishing, Lin-Brook Builders, Yardley, etc.). Only a few cases like Murray v. Gelderman went so far as to hold explicitly that even commissioned independent contractors were "employees" under the "work for hire" doctrine. Id. at 5-13 n. 20.

With all respect, we think the distinction urged by Professor Nimmer was erased long before the 1976 Act's arrival. The whole point of Brattleboro Publishing was to apply the presumption of Yardley to make an independent contractor—independent in both fact and law—into a copyright "employee" so that the buyer was the "author." That point was made over and over again until in 1976 a district judge could matter-of-factly dispose of an argument based on the undisputed "independent contractor" status of the seller by holding that the independent contractor was a copyright "employee." See Goldman-Morgen, Inc. v. Dan Brechner & Co., 411 F.Supp. 382, 391 (S.D.N.Y. 1976); see also Real Estate Data, Inc. v. Sidwell Co., 809 F.2d 366, 371 (7th Cir. 1987) (summarizing "work for hire" cases under 1909 Act; independent contractor were statutory "employees"). The copyright "employment" cases Nimmer cites as agency law equivalents go far beyond "employment" in the agency law sense.

Nimmer at 5-12.1 & nn. 17.1, 18. He even distinguishes Aldon Accessories Ltd. v. Speigel, Inc., 738 F.2d 548 (2d Cir.), cert. denied, 469 U.S. 982, 105 S.Ct. 387, 83 L.Ed.2d 321 (1984), discussed below, as a particularly tight application of copyright "employment" since that case requires that the buyer actually control the work of the seller. Id. at n. 17.1. Professor Nimmer's distinction between "employment" and "commissioned works" in the case law is invisible to us, and thus does not resolve our quandary about the meaning of the new statute.

14 The Aldon Accessories opinion is a bit more circumspect than our summary. It first holds that "employees" in § 101(1) is not limited to formal employees on the theory that Congress would not have changed prior law so drastically without any discussion of that change in the legislative history. Id. at 552. Then, the opinion shifts gears: "The legislative history does indicate that Congress intended to change prior work for hire law dealing with 'works prepared on special order or commission . . . .'" Id. But Congress did not intend to change the outcome for actual independent contractor [sic] "who were sufficiently supervised and directed by the hiring party to be considered 'employees' acting within the 'scope of employment.'" Therefore, the question is whether the buyer so controlled the creation of a particular work that the independent contractor should be considered the statutory author. Id.

15 The disputed jury instruction was:

> A work for hire is a work prepared by what the law calls an employee working within the scope of his employment. What that means is, a person acting under the direction and supervision of the hiring author, at the hiring author's instance and expense. It does not matter whether the for-hire creator is an employee in the sense of having a regular job with the hiring author. What matters is whether the hiring author caused the work to be

made and exercised the right to direct and supervise the creation

Aldon Accessories, 738 F.2d at 551.

16 See supra note 15.

17 Under the 1909 Act, the Second Circuit held that the final answer to question of employment under the "work for hire" doctrine was a legal conclusion, reviewable de novo in the court of appeals. See, e.g., Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213, 1215 n. 5 (2d Cir.), cert. denied, 409 U.S. 997, 93 S.Ct. 320, 35 L.Ed.2d 262 (1972). It is not clear whether the rule of Aldon Accessories—or intervening Supreme Court cases on Federal Rule of Civil Procedure 52(a)—will alter that view.

18 It is perhaps one of the great ironies of twentieth-century legal thought that the Restatements now provide in many fields a sort of general common law. The heavy skepticism of proto-legal realists like Justices Holmes and Brandeis found voice in Erie Railroad v. Tompkins, 304 U.S. 64, 58 S.Ct. 817, 82 L.Ed. 1188 (1938); Erie burst the bubble of the "brooding omnipresence in the sky," and seemed to signal the death of general common law. But concerns about the vacuum left by Erie fueled the American Law Institute movement, which in turn produced the Uniform Commercial Code, the Model Penal Code, and the Restatements. Now, when we need to resort to a statement of the general common law, we have nowhere to turn but to these omnipresent responses to its demise.

19 The Restatement reads:

§ 220. Definition of a Servant

(1) A servant is a person employed to perform services in the affairs of another and who with respect to the physical conduct in the performance of the services is subject to the other's control or right to control.

(2) In determining whether one acting for another

is a servant or an independent contractor, the following matters of fact, among others, are considered:

(a) the extent of control which, by the agreement, the master may exercise over the details of the work;

(b) whether or not the one employed is engaged in a distinct occupation or business;

(c) the kind of occupation, with reference to whether, in the locality, the work is usually done under the direction of the employer or by a specialist without supervision;

(d) the skill required in the particular occupation;

(e) whether the employer or the workman supplies the instrumentalities, tools, and the place of work for the person doing the work;

(f) the length of time for which the person is employed;

(g) ~~the~~ method of payment, whether by the time or by the job;

(h) whether or not the work is part of the regular business of the employer;

(i) whether or not the parties believe they are creating the relation of master and servant; and

(j) whether the principal is or is not in business.

[20] It is arguable whether, for example, an employer has the right to control the manner of performance by professional employees—doctors, lawyers, architects and the like—whose work-product is governed by state law and professional codes. Cf. Joseph J. Legat Architects v. United States, 625 F.Supp. 293, 298 (N.D.Ill. 1985); Aitken, Hazen, Hoffman, Miller v. Empire Construction Co., 542 F.Supp. 252 (D.Neb. 1982). Although we leave the decision for another day, it seems to us at first blush that an employer would still be the "author" of copyrightable works by professional employees.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION NO. 83-3942

SECTION "L" (3)

EASTER SEAL SOCIETY FOR
CRIPPLED CHILDREN AND ADULTS
OF LOUISIANA, INC.

versus

PLAYBOY ENTERPRISES, INC., ET AL.

JUDGMENT

This matter was scheduled to come on for trial before the Court without a jury on Monday, October 28, 1985.

By order entered October 23, 1985, this Court granted summary judgment in favor of Greater New Orleans Educational Television Foundation, Inc., and against Easter Seal Society for Crippled Children and Adults of Louisiana, Inc. ("Easter Seal Society") on the issue of copyright ownership, thereby likewise resolving Easter Seal Society's claims for infringement.

The Court's Order of October 23, 1985 is

therefore determinative of all claims of Easter Seal Society, and accordingly:

IT IS ORDERED, ADJUDGED AND DECREED that there be judgment in these proceedings in favor of Greater New Orleans Educational Television Foundation, Inc. and against Easter Seal Society, dismissing the claims and suit of Easter Seal Society with prejudice at Easter Seal Society's costs.

IT IS FURTHER ORDERED, ADJUDGED and DECREED that there be judgment in favor of Playboy Enterprises, Inc.; Playboy Cable Network, Inc.; Playboy Programs, Inc.; Playboy Productions, Inc.; Tele-Metropole International, Inc.; PKO Television, Inc.; Rainbow Programming Services; Cox Cable of New Orleans, Inc.; Cox Cable of Jefferson, Inc.; Robert J. Lantos; Stephen J. Roth; RSL Films, Ltd.; 120752 Canada, Inc. and against Easter Seal Society dismissing the claims and suit of Easter Seal Society against those defendants with prejudice and at Easter Seal Society's costs.

Further, the Court finds, pursuant to Rule 54(b) of

the Federal rules of civil Procedure, that there is no just reason for delay and accordingly, directs the entry of a final judgment as to those claims herein adjudicated.

New Orleans, Louisiana this 21st day of November, 1985.

/s/ Veronica D. Wicker
United States District Judge

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION NO. 83-3942

SECTION "L" (3)

EASTER SEAL SOCIETY FOR
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O R D E R

This matter came before the court on a former date. After considering the record, the exhibits and the briefs of counsel and the applicable law:

IT IS ORDERED that the motion of defendant Greater New Orleans Educational Television Foundation, Inc. (WYES) for summary judgment dismissing plaintiff's suit is GRANTED, and the cross motion of plaintiff Easter Seal Society (Society) for summary judgment is DENIED.

This is a copyright infringement case. In March of 1982, plaintiff contracted with YES Productions, an unincorporated division of WYES, for the production of a "network quality" videotape of a

staged "Mardi Gras-like" parade and a Dixieland music jam session. (Deposition of Kole). Plaintiff operated through its then local chapter president, a performer known by his business name of Ronnie Kole. The parade and jam session was entirely Kole's idea. It was Society's intention to incorporate the final, edited videotape into their 1982 national telethon. John Beyer, an employee of WYES, was the producer-director assigned to YES Productions to tape and produce the videotape.

The alleged infringement arose in 1983 when WYES sent Mardi Gras parade videotape footage to Canada at the request of one of the other defendants in this suit. The footage sent was eventually incorporated into a Playboy adult movie destined to be shown on cable television via the Playboy Channel. Persons who participated in the mock parade saw themselves on television in parade sequences in the film "Candy the Stripper."

The parties have submitted the entire depositions of Kole and Beyer, plus numerous other exhibits and

affidavits in connection with the cross motions for summary judgment. The parties informed the Court that the depositions of Kole and Beyer were the only evidence that would be produced at the non-jury trial concerning the creation of the videotapes.

Two different videotapes were created on March 17, 1982. The first, referred to by the parties as the "Field Tape", was taped contemporaneously with the live events of the parade and jam session. The Field Tape is about five hours in length. The second, referred to as the "Master Tape", is about sixteen minutes long and was edited that same day from the Field Tape. It was the Master Tape that was intended to be, and was, incorporated into the 1982 telethon.

Two copies of the Master Tape were made. One copy was given to Kole that evening, and the other copy was mailed to Society headquarters in California. WYES never retained a copy of the Master Tape. These facts are sworn to by Beyer in his affidavit attached to WYES' motion for summary

judgment. In addition, a Mr. Forrest Murray, an employee of one of the Canadian defendants, testified at his deposition that he personally reviewed the tape footage sent by WYES and that it was his opinion that the footage was unedited because of the numerous out-of-focus shots of sky and ground. The irrefutable implication is that footage from the unedited Field Tape was sent to Canada by WYES. No contrary proof was offered by Society to show that WYES did retain a copy of the Master Tape or that a copy of the master Tape was sent to Canada. Accordingly, this Court finds that WYES never kept a copy of the Master Tape and that the taped Mardi Gras footage sent to Canada must have been taken from the Field Tape. See Exxon Corp v. Federal Trade Commission, 663 F.2d 120, 128 (D.C. Cir. 1980) ("It is not the intent of Rule 56 (summary judgment) to preserve purely speculative issues of fact for trial . . . .").

Both Society and WYES contend that it, and not the other, owns the copyrights in the Field and

Master Tapes. Both parties have procured copyright registrations for each tape. Plaintiff argues that it holds the copyrights in the Field and Master Tapes under the "work made for hire" doctrine of copyright law. WYES contends that it was an independent contractor, that the work made for hire doctrine does not apply, and that it is the owner of the copyright in both tapes.

The Copyright Act of 1976 defines work made for hire at 17 U.S.C. §101:

> A "work made for hire" is—
>
> (1) a work prepared by an employee within the scope of his or her employment; or
>
> (2) a work specially ordered or commissioned for use . . . as a part of a motion picture or other audiovisual work, . . . if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.
>
> . . . .

Ownership of copyright is governed by 17 U.S.C. §201:

> (a) **Intial Ownership.**— Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners of copyright in the work.
>
> (b) **Works Made for Hire.**— In the case of a

> work made for hire, the employer or other person for whom the work was prepared is considered the author for the purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

If these videotapes were works made for hire, then Society owns the copyright. If, however, these were not works made for hire, then WYES owns the copyright.

Both parties agree there was no express written agreement showing the parties' intent to make these videotapes works for hire. Therefore, subsection (2) of the works made for hire definition is inapplicable. See Childers v. High Society Magazine, Inc., 561 F.Supp. 1374, 1375 (S.D.N.Y. 1983). Thus, the only way these videotapes could be works made for hire would be if this Court were to hold, as a matter of law, that WYES was an "employee" of Society and that the tapes were made "within the scope of [WYES'] employment." Subsection (1) of work made for hire definition at 17 U.S.C. §101.

Society argues that it was the employer of WYES

as to both the Field Tape and the Master Tape. The Court will consider its claim to the Field Tape first. The evidence presented, through the depositions of Kole and Beyer, shows that Society specifically hired WYES because it was familiar with the quality of the work produced by WYES. The final edition of the videotape was scheduled for inclusion in the national telethon and had to be "network quality." Society concluded that WYES was the organization capable of producing a network quality videotape.

In their contract, Society and WYES agreed that Kole would supply all the performers and personalities necessary for the live staged event. YES Productions agreed to provide a mobile production unit, various cameras and videotape equipment, and a "full production and technical crew." YES Productions also agreed to "make available the necessary equipment and personnel to edit and post assemble the 16-minute finish segment. . . ." (Contract between the parties, attached as Exhibit A to WYES's motion for summary judgment).

Society contended in its memoranda that the Copyright Act of 1976 did not change the law regarding independent contractors and the work made for hire doctrine. This, however, is incorrect. In Aldon Accessories v. Spiegal, [sic] 738 F.2d 548, 552-53 (2d Cir. 1984) one of the principals of Aldon conceived of the idea of making Unicorn and Pegasus statuettes. He contracted with a Japanese firm to do the production. Aldon sent sketches showing what it wanted the statuettes to look like. The Aldon principal then went to Japan and worked intimately with the artist to create the desired pose, the proportions, the musculature, and the manes of the horse-like animals. He spent hours supervising and demanding revisions in the models that were made. The evidence showed that while the Aldon principal was not an artist and did not do the physical sketching and sculpting, "he actively supervised and directed the work step by step." Id. at 550 (emphasis added).

The Aldon court, like this Court, studied decisions

under the Old Act of 1909, and found that if an employer closely supervised and directed the work, an employer-employee relationship could be found even though the employee was not a regular or formal employee. Id. at 552; see e.g. Murray v. Gelderman, 556 F.2d 1307 (5th Cir. 1978) (decided under 1909 Act).

The Aldon court, like this Court, reviewed the legislative history of the 1976 Act and concluded that Congress did intend to change the law regarding works prepared on special order or commission. 1976 U.S. Code Cong. & Ad. News at 5737. Under the Old Act, "in dealing with all works done by an independent contractor, the courts 'presumed in the absence of contrary proof that the parties expected the employer to own the copyright and that the artist set his price accordingly.' (citations omitted)." Aldon at 552. Congress apparently felt that this frequently worked an injustice in those situations where the contractor did all of the creative work and the hiring party did little or nothing. 1976 U.S. Code

Cong. & Ad. News at 5737; Aldon at 552.

Thus, subsection (2) of the work made for hire definition was created as a carefully drafted change in this aspect of the prior law. Aldon, however, held that there was no indication that Congress intended to change the law regarding contractors who were so supervised, directed, and controlled by the hiring party that they could be considered "employees" acting within the "scope of employment." Aldon at 552. On the facts before it, the Aldon court held that because the Japanese firm was controlled "step by step" by Aldon during the creative process, Aldon was the "employer" under the works made for hire doctrine. Id. at 553.

Therefore, the issue is whether Society exercised such control and supervision over the work of WYES and Beyer during the creation of the Field Tape that WYES could be held to be an "employee" acting within the "scope of employment."

After carefully reviewing the depositions of Kole and Beyer, and bearing in mind the agreement of the

parties that this was the only evidence on this point, this Court concludes that Beyer and WYES were independent contractors in the pure sense of the word when they created the Field Tape. The deposition of Kole reveals that the idea for the production was his alone. Ideas, however, are not copyrightable. 17 U.S.C. §102(b). Kole organized the performers and produced the live parade and jam session on March 17, 1982. Beyer, however, was responsible for the creation and production of the Field Tape which memorialized the live event. The evidence shows that Kole told Beyer what Society wanted, but that it was Beyer's obligation to use his expertise to achieve the desired result on videotape. Beyer had to use his expertise, for example, to arrange camera angles, to ensure that the lighting was adequate for videotaping purposes, and to ensure that the live music could satisfactorily be recorded on audiotape. In addition, Beyer was completely responsible for the direction and supervision of the YES Productions crew who physically controlled all the necessary taping

equipment. At the time the unedited Field Tape was being created, Kole was on stage performing and had only minimal input into the taping process. Kole's contribution in the form of ideas, and his minimal involvement in the planning of the shoot was that normally expected from a client and did not render Society the author of the Field Tape. See Aitken, Hazen, Hoffman, Miller v. Empire Const. Co., 542 F.Supp. 252 (D. Neb. 1982); Meltzer v. Zoller, 520 F. Supp. 847 (D. N.J. 1981).

The Field Tape, though unedited and in the nature of a rough draft, is nevertheless copyrightable. "Copyright protection subsists, . . . in original works of authorship fixed in any tangible medium of expression, . . . from which they can be perceived, . . . either directly or with the aid of a machine or device." 17 U.S.C. §102(a). The Field Tape is an original work of authorship created by Beyer on March 17, 1982, it is fixed in a tangible medium of expression, namely on videotape, and it can be perceived by the use of a videotape playing machine.

Thus, the Field Tape clearly qualifies for copyright protection.

It is undisputed that Beyer was an employee of WYES when the Field Tape was created. Under the works made for hire doctrine, the employer is considered the author of a work created by an employee within the scope of his employment. 17 U.S.C. §201(b). Accordingly, this Court finds that the author and copyright owner of the Field Tape is defendant WYES.

Based upon the evidence submitted, this Court finds that it was a copy of the Field Tape which was sent to Canada and later incorporated into the Playboy movie. The copyright in the Field tape is owned by WYES, not by plaintiff Society. Therefore, plaintiff cannot support a claim for copyright infringement. Accordingly, the motion of defendant WYES to dismiss plaintiff's suit for copyright infringement is GRANTED.

This Court notes that serious questions exist as to whether the Master Tape was a derivative work based

on the Field Tape and whether there was joint authorship of the Master Tape by Society and WYES. However, these issues were neither raised nor briefed by the parties and their resolution is rendered unnecessary by the Court's ruling regarding the Field Tape.

Finally, several appeals from discovery rulings by the Magistrate are also outstanding. All except one are rendered moot by the present ruling. The Magistrate imposed a $250.00 sanction on defense counsel Christovich & Kearney for failing to produce the insurance policies of some of their clients as requested by plaintiff. The impostion of this sanction is AFFIRMED on the ground that Rule 26(b)(2) provides for the discovery of insurance agreements. The failure to produce the insurance agreements is not excusable and the sanction stands. Defense counsel must pay the sanction to plaintiff's counsel within ten (10) days from the entry of this Order. Actual production of the insurance agreements, however, will not be required in light of

the Court's ruling today.

New Orleans, Louisiana, this 23rd day of October, 1985.

/s/ Veronica D. Wicker
United States District Judge

IN THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

No. 85-3741

EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS OF LOUISIANA, INC.,
Plaintiff-Appellant,

versus

PLAYBOY ENTERPRISES, INC., ET AL.,
Defendants-Appellees.

Appeal from the United States District Court for the Eastern District of Louisiana

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ON PETITION FOR REHEARING AND SUGGESTION FOR REHEARING EN BANC

(Opinion APRIL 23, 5 Cir., 1987, F.2d)
(June 1, 1987)

Before GEE, POLITZ and WILLIAMS, Circuit Judges.

PER CURIAM:

(X) The Petition for Rehearing is DENIED and no member of this panel nor Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc, (Federal Rules of

Appellate Procedure and Local Rule 35) the Suggestion for Rehearing En Banc is DENIED.

( ) The Petition for Rehearing is DENIED and the Court having been polled at the request of one of the members of the Court and a majority of the Circuit Judges who are in regular active service not having voted in favor of it, (Federal Rules of Appellate Procedure and Local Rule 35) the Suggestion for Rehearing En Banc is also DENIED.

( ) A member of the Court in active service having requested a poll on the reconsideration of this cause en banc, and a majority of the judges in active service not having voted in favor of it, rehearing en banc is DENIED.

ENTERED FOR THE COURT:

/s/ Thomas G. Gee
United States Circuit Judge

Supreme Court, U.S.
FILED
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(3)

No. 87-482

In The

Supreme Court of the United States

October Term, 1987

EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS OF LOUISIANA, INC.,

Petitioners,

vs.

PLAYBOY ENTERPRISES, INC., *et al.*,

Respondents.

REPLY TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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QUESTION PRESENTED FOR REVIEW

In what manner did the 1976 Copyright Act change the definition and application of the "work for hire" doctrine as previously found under the Copyright Act of 1909 and case law arising thereunder?

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EASTER SEAL SOCIETY FOR
CRIPPLED CHILDREN
AND ADULTS OF LOUISIANA, INC.

Plaintiff-Petitioner

versus

PLAYBOY ENTERPRISES, INC., ET AL.

Defendants-Respondents

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION

Respondents, Greater New Orleans Educational Television Foundation ("WYES")[1], Playboy Enterprises, Inc., Playboy Productions, Inc., Playboy Programs, Inc., Playboy Cable Network, Inc., (collectively "Playboy"), Tele-Metropole International, Inc., 120752 Canada, Inc., RSL Films, Ltd., PKO Television, Inc. Rainbow Programming Services, Cox Cable New Orleans, Inc., and Cox Cable of Jefferson, Inc. respectfully submit this Brief in opposition to the Petition for Writ of Certiorari filed herein by Easter Seal Society for Crippled Children and Adults of Louisiana, Inc. ("Society").

—o—

[1]Petitioner's List of All Parties erroneously denominates respondent Greater New Orleans Educational Television Foundation ("WYES") as simply "Television Foundation, Inc." (See page ii, entry number 2, of the petition).

STATEMENT OF THE CASE

WYES, through its unincorporated production division, contracted with Society to produce a videotape of a Mardi Gras style parade and Dixieland jam session to be aired as a segment of the 1982 National Easter Seal Telethon. The contract contained no mention of copyright ownership or transfer. WYES provided the director, production crew, technical equipment and expertise; Society supplied the players. The resulting four and one-half hours of uncut field tape was post-produced by WYES and edited into a sixteen minute master tape which was delivered to Society and broadcast as part of the telethon. WYES retained possession of the field tape, using portions thereof in its local musical programming. Upon request, WYES also made portions of the field tape available to a Canadian broadcast producer for screening. The Canadian producer allegedly incorporated certain portions of the field tape into an audiovisual work which aired on the Playboy Cable Network.

Society protested the airing on Playboy and shortly thereafter filed suit against WYES, Playboy and the other respondents for copyright infringement. Following two years of discovery and several amended petitions, Society filed a Motion for Summary Judgment alleging ownership of the copyright and infringement by Respondents. WYES filed a cross-motion seeking dismissal of Society's motion and recognition of WYES's ownership of the copyright. The United States District Court for the Eastern District of Louisiana determined that WYES was an independent contractor over which Society had exercised insufficient control or supervision to create an employment relationship. Under the "work for hire"

doctrine, therefore, WYES was found to be the copyright owner and Society's Complaint was dismissed. Society appealed the dismissal to the United States Court of Appeals for the Fifth Circuit which affirmed the District Court's dismissal, albeit on different grounds.

The Fifth Circuit held that WYES owned the copyright because under the "literal interpretation" of the work for hire doctrine, as an independent contractor specially commissioned to create a statutorily categorized work, WYES could only divest itself of authorship by written agreement to transfer same. Inasmuch as the contract between WYES and Society contained no such provision, WYES retained copyright authorship and ownership. The Fifth Circuit further held that WYES would be the copyright owner under any interpretation of the work for hire doctrine. Society's application for rehearing was denied per curiam and the instant petition for review was lodged with this Court.

———o———

SUMMARY OF ARGUMENT

The facts of this case lead to the same result under any theory of the work for hire doctrine and a review of the Fifth Circuit's holding would afford Society no relief.

———o———

ARGUMENT

The Facts of this Case Lead to the Same Result under any Theory of "Work For Hire."

Respondents submit that under any theory of "work for hire" as defined by the courts since the Copyright

Act of 1976, 17 U.S.C. § 101, *et seq.*, Society's cause must fail. As the Fifth Circuit stated in its opinion:

> The Easter Seal Society would probably lose on its claim that the field tapes were "works made for hire" under any view of the 1976 Act.

Easter Seal Society v. Playboy Enterprises, Inc., et al., 815 F.2d 323, 336 (5th Cir. 1987); (Petitioner's Appendix, p. 36a).

The Fifth Circuit set forth three possible views of work for hire: the literal interpretation, the conservative interpretation, and, the "Aldon Accessories Compromise," Although the Fifth Circuit decided the case under the literal interpretation, a review of the conservative and Aldon Accessories approaches clearly shows, as the Fifth Circuit intimated, that petitioner cannot recover under any theory.

The conservative theory is as follows:

> If the work was undertaken at the instance and expense of the buyer, and if the buyer had the *right* to control the work, regardless of whether or not the right was exercised, then the seller was a (legal) employee within the meaning of § 101(1). If the buyer wins under traditional analysis, then the court looks to see if the disputed work falls within the nine categories in § 101(2). These categories are accorded special treatment, and the buyer will be the author only if he has complied with the requirement of a written agreement.

Easter Seal Society v. Playboy Enterprises, Inc., et al., 815 F.2d 323, 331 (5th Cir. 1987); (Petitioner's Appendix, pp. 19a-20a).

In the instant case, assuming arguendo that the work, the field tape, was undertaken at the instance and expense

of Society, and that Society had the right to control the work, the work still fails to be a work for hire because there is no written agreement as required by § 101(2) of the 1976 Copyright Act. That section provides that:

> (2) A work specially ordered or commissioned for use as a contribution to a collective work, as part of a *motion picture or other audiovisual work*, . . . [is a work for hire] if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire . . . .

17 U.S.C. § 101(2) (Emphasis added).

In the present case, the field tape was a work specially ordered and commissioned by Society for use as a part of an audiovisual work, the Easter Seal Telethon, and cannot be a work for hire because no written instrument designating it a work for hire was executed.

Society is likewise unable to succeed in its claim for copyright ownership under the Aldon Accessories approach, as enunciated by the Second Circuit in *Aldon Accessories, Ltd. v. Spiegel, Inc.*, 738 F.2d 548 (2d Cir.) *cert. denied*, 469 U.S. 982, 105 S.Ct. 387, 83 L.Ed. 2d 321 (1984). The Aldon approach focuses on the actual supervision and creative direction exercised by the commissioning party over the creation of the work. Creative direction that is deemed substantial enough entitles the commissioning party to authorship of the work.

In fact, the District Court followed *Aldon* in denying Society's copyright in the field tapes. See *Easter Seal Society v. Playboy Enterprises, Inc., et al.*, Civil Action No. 83-39421; (Petitioner's Appendix, pp. 56a-70a). The District Court found that Society failed to exercise the requisite direction and control over the creation of the

field tapes necessary to render it the statutory author under the *Aldon* view of works for hire. (Petitioner's Appendix, pp. 665a-67a). That finding of fact is echoed in the decision of the Fifth Circuit, although not necessary to its decision. See *Easter Seal Society v. Playboy Enterprises, Inc., et al.,* 815 F.2d 323, 324 (5th Cir. 1987); Petitioner's Appendix, pp. 2a-3a). It is submitted that this "fact," found by both the District Court and Fifth Circuit, may not be upset unless there is a very obvious and exceptional showing of error. *Graver Tank & Manufacturing Company v. Linde Air Products Company,* 69 S.Ct. 535, 538, 336 U.S. 271, 275, 93 L.Ed. 672 (1949); *Tiffany Fine Arts, Inc. v. U.S.,* 105 S.Ct. 725, 730, n.5, 469 U.S. 310, 83 L.Ed. 2d 678 (1985). "In accordance with our usual practice, we must now accord great weight to a finding of fact which has been made by a district court and approved by a court of appeals."

The "literal" approach applied by the Fifth Circuit yields the same result. Where a traditional employee-employer relationship under agency law exists, the employer will be the "author" of any work prepared by the creating employee. If the creator is not an employee under traditional agency law, he is an independent contractor, the "author" of his work, and therefore the copyright owner. If the work fits within one of the nine categories enumerated in § 101(2), the independent contractor may designate the work as "for hire" in a written instrument signed by both parties and thus transfer authorship and ownership to the commissioning party. For all other works, the independent contractor, although remaining the author, may transfer copyright ownership under 17 U.S.C. § 204 to the commissioning party, or may grant an exclusive license to the commissioning party.

In the present matter, the Fifth Circuit found that an employee-employer relationship did not exist under agency law between WYES and Society, and therefore that WYES was an independent contractor and author of the field tapes. As no written agreement to designate the work as "for hire" or to transfer the copyright had been made, Society had no claim for infringement by WYES or Playboy.

It is respectfully submitted that a review of this case can result in no relief to Society, and that under any theory of the work for hire provisions of the 1976 Copyright Act, Society is precluded from ownership of the copyright to the audiovisual work.

CONCLUSION

Assuming, for the sake of argument, that there is a split of authority in the circuit courts, this case is not the proper vehicle for resolving any real or perceived differences in the interpretation to be given the work for hire doctrine. As the above makes abundantly clear, Society would not be found the copyright owner under *any* theory.

The Fifth Circuit's opinion is so well-reasoned and thorough as to amount to a virtual treatise on the subject of work for hire. To disturb such a holding on the notion that a different route to the same end may be available would present the classic case of bad facts making bad law. The interpretation and application of the work for hire doctrine is far-reaching. It would be grossly unfair

to independent contractors and commissioning parties alike to base review of such an important determination on facts which do not warrant it. Society's petition for review should be denied.

Respectfully submitted,

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(4)

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In the Supreme Court of the United States

OCTOBER TERM, 1987

EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS OF LOUISIANA, INC., PETITIONER

v.

PLAYBOY ENTERPRISES, INC., ET AL.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

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13 pp

QUESTION PRESENTED

Whether under the "work made for hire" provisions of the Copyright Act of 1976, 17 U.S.C. 101 and 201(b), petitioner owned the copyright in a videotape made by a television station at petitioner's request but without its close supervision.

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

This brief is submitted in response to the Court's invitation to the Solicitor General to express the views of the United States.

STATEMENT

1. Under Section 201 of the Copyright Act of 1976 (the Act), 17 U.S.C. 201, the copyright in a work "vests initially in the author or authors of the work" (17 U.S.C. 201(a)). In the case of so-called "works made for hire," "the employer or other person for whom the work was prepared is considered the author" and, "unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright" (17 U.S.C. 201(b)). Section 101 of the Act, 17 U.S.C. 101, defines two categories of works that constitute "works made for hire." One category, defined in

subsection (1), includes works "prepared by an employee within the scope of his or her employment."[1] The other, defined in subsection (2), includes works "specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire."

2. The present case arose in March 1982 when petitioner Easter Seal Society contracted with WYES, a New Orleans public television station, for the videotaping of a staged "Mardi Gras-style" parade and "Dixieland" jam session that petitioner proposed to broadcast as part of a forthcoming telethon. The parties made no agreement concerning copyright ownership. With a certain amount of direction from Easter Seal representatives, WYES created a five-hour "field tape" from which it then edited a 16-minute "master tape." The master tape was broadcast during the National Easter Seal Telethon. Pet. App. 2a-3a, 56a-58a.

Some time later, Julius Cain, WYES's director of broadcasting, was asked by a Canadian television producer to send him some Mardi Gras footage. Cain forwarded 40 minutes of tape copied from the Easter Seal field tape. Portions of that tape were thereafter incorporated as part of an "adult" film entitled "Candy, the Stripper" that was created, produced, and distributed by various entities, including respondent Playboy Enterprises, Inc. The film was shown nationally on cable tele-

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[1] The Copyright Act contains no definition of the terms "employee" or "scope of employment." 1 M. Nimmer, *Nimmer on Copyright* § 5.03[B][1], at 5-12 (1987).

vision four times during two days in May 1983. One or more of the persons who had appeared in the Easter Seal field tape recognized themselves in the footage now contained in "Candy, the Stripper." Pet. App. 3a-4a.

In August 1983, petitioner brought an action in the United States District Court for the Eastern District of Louisiana, alleging copyright infringement (Pet. App. 4a). The district court granted partial summary judgment in respondents' favor (*id.* at 56a-70a). The court rejected petitioner's claim that under the work-made-for-hire provisions it owned the copyright to the field tape. The court found, first (*id.* at 61a), that because there was no written agreement designating the tape as a work made for hire, the tape could not fall within subsection (2) as a "specially ordered or commissioned" work. The court turned next (*id.* at 61a-68a) to whether the tape might be a work made for hire under subsection (1), on the ground that in making the tape WYES was an "employee" of Easter Seal acting "within the scope of [its] employment." Applying the standard elaborated by the Second Circuit in *Aldon Accessories Ltd.* v. *Spiegel, Inc.*, 738 F.2d 548, cert. denied, 469 U.S. 982 (1984), the district court framed (Pet. App. 65a) the legal inquiry as "whether [petitioner] exercised such control and supervision over the work of WYES * * * during the creation of the Field Tape that WYES could be held to be an 'employee' acting within the 'scope of employment.' " The court reviewed the evidence (*id.* at 66a-67a) and concluded that WYES was an "independent contractor[ ] in the pure sense of the word when [it] created the Field Tape" (*id.* at 66a).[2] It accordingly con-

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[2] In particular, the district court noted that while an Easter Seal representative had "organized the performers and produced the live parade and jam session," John Beyer, a WYES employee, "was responsible for the creation and production of the Field Tape which

cluded that petitioner could not claim copyright in the field tape on the premise that WYES was its "employee."

3. The court of appeals affirmed on other grounds (Pet. App. 1a-52a). Expressly rejecting (*id.* at 21a-32a) the analysis of the Second Circuit in *Aldon Accessories,* the court applied what it termed a "literal interpretation" (*id.* at 16a) of the work-made-for-hire provisions.[3] Under that interpretation, the court of appeals stated (*ibid.* (footnote omitted)), "a court should first determine—using agency law rules—whether or not the seller is an employee or an

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memorialized the live event." Beyer "use[d] his expertise to achieve the desired result on videotape"—including "arrang[ing] camera angles"; "ensur[ing] that the lighting was adequate for videotaping purposes"; and "ensur[ing] that the live music could satisfactorily be recorded on audiotape." Beyer was also "completely responsible for the direction and supervision of the * * * crew who physically controlled all the necessary taping equipment." By contrast, petitioner's "contribution in the form of ideas, and * * * minimal involvement in the planning of the shoot was that normally expected from a client and did not render [petitioner] the author of the Field Tape." Pet. App. 66a-67a.

[3] The court also discerned in two district court decisions a third, so-called "conservative" interpretation of the work-made-for-hire provisions (Pet. App. 19a-21a). Under that approach, the court explained, "[i]f the work was undertaken at the instance and expense of the buyer, and if the buyer had the *right* to control the work, regardless of whether or not the right was exercised, then the seller was a (legal) employee within the meaning of [subsection (1) of the work-made-for-hire provisions]" (*id.* at 19a (emphasis in original)). The court added (*id.* at 19a-20a), however, that even if the buyer prevails under that prong of the conservative test, the seller will nonetheless own the copyright if a work falls within one of the nine categories in subsection (2) and there is a written agreement treating the work as a work-made-for-hire. The court rejected the conservative approach (*id.* at 20a-21a), noting that it ignored the statutory changes effected by the Copyright Act of 1976. It also observed (Pet. App. 20a) that even the few cases that have applied the conservative standard would have been decided the same way had a different test been applied.

independent contractor. Then, the court should apply the statute." The court explained that if the seller of the work is an "employee" under agency principles, then subsection (1) of the work-made-for-hire provisions applies; and under subsection (1), if the work was made within the scope of employment, the employer is deemed to be the author. If, on the other hand, the seller is an independent contractor under agency principles, then subsection (2), covering "specially ordered or commissioned" works, applies; in that event, the employer will be deemed to be the copyright author only if the work falls within one of the nine categories enumerated in subsection (2) and there is a written instrument that designates the work to be a "work made for hire."[4]

Applying the "literal" interpretation (Pet. App. 35a-37a), the court held that WYES owned the copyright in the field tape and therefore affirmed the judgment of the district court. It noted (*id.* at 37a) that petitioner had "never contended that WYES was not an independent contractor hired to create the disputed work." Under the court's analysis, therefore, subsection (2) of the work-made-for-hire provisions applied; and because there was no agreement designating the tape as a work made for hire, WYES was therefore the copyright owner. The court observed, however (*id.* at 36a), that petitioner "would probably lose on its claim that the field tapes were 'works made for hire' under any view of the 1976 Act." Indeed, the court surmised, even the so-called "conservative" approach—which

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[4] The court explained (Pet. App. 34a) that "[t]he 'literal' interpretation of the 1976 Act has more in its favor" than the two competing approaches it had discerned in the case law. In particular, the court found that its preferred approach "makes sense" out of the statutory provisions, "ties the meaning of 'work for hire' to a well-developed doctrine in agency law," and "gives buyers and sellers the greatest predictability" (*id.* at 34a-35a).

treats buyers of works most favorably—"might not get [petitioner] to the promised land" (*id.* at 36a-37a).

DISCUSSION

Petitioner challenges the Fifth Circuit's interpretation of the work-made-for-hire provisions of the Copyright Act of 1976. We agree that the courts of appeals have adopted conflicting interpretations and that the issue may well warrant resolution by this Court. In our view, however, the outcome of the present case would not have been different under a different interpretation of the work-made-for-hire provisions. Accordingly, the case is not an appropriate vehicle for resolving the issue on which the lower courts are divided. We therefore conclude that certiorari should be denied.[5]

1. The plaintiff in the *Aldon Accessories* case was a designer and marketer of figurines and other decorative items for the home. In 1977, one of its principals conceived the idea of designing a line of statuettes depicting mythological creatures. After contracting with certain overseas artisans to fashion the items, the principal went abroad and actively oversaw the process by which the figurines were created. Holding that the plaintiff was the owner of the copyright in the merchandise, the Second Circuit reasoned (738 F.2d at 552) that while the foreign concerns were independent contractors, they had been "sufficiently supervised and directed by the hiring party to be considered 'employees' acting within 'the scope of employment.' " The court therefore applied subsection (1)

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[5] Although the petition sets forth three questions presented (Pet. i), we believe that the question whether the Fifth Circuit has correctly interpreted the work-made-for-hire provisions is better addressed as a single question and have accordingly set out our views in that format.

of the work-made-for-hire provisions and upheld the plaintiff's claim.

The Seventh Circuit followed the *Aldon Accessories* interpretation in *Evans Newton Inc.* v. *Chicago Systems Software,* 793 F.2d 889 (1986), cert. denied, No. 86-441 (Nov. 10, 1986). That case involved a dispute about ownership of the copyright in a certain computer manual. Holding for the plaintiff, the court of appeals found that the manual was a work made for hire. The court explained (793 F.2d at 894) that plaintiff's president had "supervised and directed the work," and it noted that in fashioning the manual the defendant had "merely used [its] programming skills to produce the work according to [the plaintiff's] specifications."[6]

2. In the present case, the court of appeals expressly rejected (Pet. App. 21a-32a) the Second Circuit's analysis

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[6] In *Brunswick Beacon, Inc.* v. *Schock-Hopchas Pub. Co.,* 810 F.2d 410 (1987), the Fourth Circuit distinguished *Aldon Accessories* on its facts, but did not dispute the Second Circuit's rationale. The court upheld a newspaper's copyright in certain advertisements that it had prepared and published at the request of advertisers. Rejecting the claim that the advertisers owned the copyright under the work-made-for-hire provisions, the court held, first (810 F.2d at 413), that because there was no agreement to treat the advertisements as works made for hire, subsection (2) could not apply. Moreover, the newspaper could not be characterized as an "employee" of the advertisers for purposes of subsection (1). While "the advertisers told the [newspaper] what they wanted, * * * there is no suggestion that they supervised [the newspaper's] employees as they developed the advertisements or directed the manner of the work's completion" (*ibid.*). Judge Hall dissented (*id.* at 414-415). In his view, the newspaper was an employee under subsection (1) because the advertisers "retained the right to control and supervise both the nature and content of the ads" (*id.* at 415). As far as we can tell, Judge Hall's dissenting opinion in *Brunswick Beacon* is the only court of appeals opinion that embraces what the Fifth Circuit characterized as the "conservative" interpretation of the provisions.

in *Aldon Accessories,* in favor of what it termed a "literal" approach to the work-made-for-hire provisions—*i.e.,* as we read the opinion, an interpretation under which subsection (1) reaches only those cases where the maker of the work is "literally" an employee of the claimant.[7] We agree with petitioner (Pet. 19-20) that the issue on which the lower courts are divided is important and may in the future warrant resolution by this Court. We believe, however, that this case is not an appropriate vehicle for doing so.

The district court in this case applied the *Aldon Accessories* standard but, on the facts presented, rejected petitioner's claim. The court observed (Pet. App. 66a-67a) that WYES's employee, John Beyer, had "use[d] his expertise to achieve the desired result on videotape" and that petitioner's role was limited to what would be "normally expected from a client." On the record below, the district court could not find that petitioner "exercised such control and supervision over the work of WYES and Beyer during the creation of the Field Tape that WYES could be held to be an 'employee' acting within the 'scope of employment' " (*id.* at 65a). Petitioner has not suggested that any of the trial court's findings are clearly erroneous.

The court of appeals applied a different legal standard but reached the same result. Indeed, the court observed (Pet. App. 36a) that petitioner "would probably lose on its claim that the field tapes were 'works made for hire' under any view of the 1976 Act." We agree. For that reason, we believe that the present case is not an appropriate vehicle for resolving the conflict in the Circuits concerning the work-made-for-hire provisions.

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[7] Prior to the Fifth Circuit's decision in this case, the Ninth Circuit, in dicta, had endorsed a similar construction of the work-made-for-hire provisions. *May* v. *Morganelli-Heumann & Assoc.,* 618 F.2d 1363, 1368 n.4 (1980).

CONCLUSION

The petition for a writ of certiorari should be denied.
Respectfully submitted.

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